How Bondholders Lose Out

Featuring Textile Securities

Who Ordered Brokers' Release?

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

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CANADIAN MINING NEWS DEPARTMENT, ON PAGE 20

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The Nation's Business

Mystery Clothes Brokers' Release?
Who Ordered It and Why?
Empire Currency No Panacea for World's Ills
Might Endanger Canada

Who Ordered Brokers' Release?

THE sudden and silently-arranged release from Kingston penitentiary of two ex-mining brokers carries with it some implications of mystery that the authorities may well clear up.

Until The Financial Post last week told the story of the remissions granted these two men, the whole transaction was enveloped in the darkest shroud of secrecy. The principle which directs that remissions granted to penitentiary prisoners should not be discussed in public by the Department of Justice at Ottawa is, on the whole, thoroughly sound. But the lack of publicity provides opportunity for very considerable abuses of the practice. It makes possible political favoritism and worse.

* * *

IT IS only because of the peculiar circumstances surrounding this affair that The Financial Post has made any reference at all to it.

Men who have served penitentiary terms have paid their debt to society and the fact of their being released on ticket-of-leave before the expiry of their sentences does not alter this fact. It would be highly improper under ordinary circumstances to hound ticket-of-leave men with publicity. But The Financial Post has never felt that the mining brokers were much more than tools in the hands of more powerful interests. It feels that the higher-ups have not yet been brought before the bar of public opinion or before the courts of justice. There is, then, a particular interest in the two men who have been released.

But quite apart from that, the fact that the tickets-of-leave were issued at a time when the Ontario courts had under consideration an application to have them questioned on certain points in connection with a civil case makes the granting of the remissions a proper matter for public discussion, especially when the precautions usually taken in such cases were apparently not observed.

* * *

IN THE present instance the facts are apparently these:

1. These two brokers were two of the defendants in a group of civil actions involving their former brokerage firm.

2. Plaintiffs in one or more of the cases asked authority of the court to interrogate these men, under examination for discovery, on certain points in the case.

3. Before the courts had finally ruled on this application for power to examine these men, they were released on ticket-of-leave.

4. The usual procedure in such cases is to provide that the men released shall report at regular intervals to the authorities until the expiry of the term they would normally have served.

5. Whether in the case of these two men any such precaution was taken can not definitely be stated but in any event they promptly left the country.

6. The Financial Post is informed but can not confirm that they have gone to a country where they can not be reached by the order of any Canadian court.

* * *

THE POST implies no criticism of these men for anything they may have done since their release. But it does feel that when an important civil action is pending against a man in prison and he is released through executive clemency before the expiry of his term that steps should be taken to see that he remains subject to the jurisdiction of the Canadian courts for the period of his original term.

The whole affair is so mysterious that a searching enquiry by the prime minister is urgently required to determine what influence was brought to bear to permit this alarming sequence of circumstances to prevail.

Was there on the part of someone a desire that the higher-ups in the mining brokerage firm in question should not be revealed?

Elsewhere in this issue, the official Ottawa viewpoint on acts of clemency is detailed. There is published also a statement made by Mr. Bennett in 1927, when he stated that the public was entitled to certain assurances in the case of remissions.

Mr. Bennett, on this occasion, was dealing with paroles to persons convicted of Election Act illegalities. But his conclusions apply just as well to the irregularities of those who handled the in-

(Continued on page 2, col. 8)

OTTAWA HAS CLEAR POLICY ON PAROLES

Secrecy is Rule, But Brokers' Remissions Are Confirmed

BENNETT ON RECORD

In 1927, He Stated All Paroles Should Be Capable of Justification in Public Interest

From Our Own Correspondent

OTTAWA.—Publication in The Financial Post last week of the information that two mining brokers, both serving sentences at Kingston as a result of the 1930 mining clean-up, had been freed on parole caused a veritable sensation at Ottawa.

The clamor for confirmation or denial of this statement became so insistent that, finally, Hon. Hugh Guthrie, Minister of Justice, issued a brief statement to the press, stating that both of these men had been allowed out of penitentiary on what is commonly known as ticket-of-leave.

Having issued this statement, the lid of the Justice Department has been clamped down hard and it is not expected that further information will be forthcoming, at least for some days. Mr. Guthrie's statement rather indicated that the paroles had just been granted, but this, it is understood, is not the case. The men were paroled on the date set out in The Post last week—May 6.

Usually Kept Secret

It is next to impossible to obtain from the Department of Justice any explanation of this action, or of similar action in the past. Indeed, the most remarkable part of the entire exposure of the case to date is that any statement at all was issued. The granting of paroles or tickets-of-leave, traditionally, is held to be an act of vice-royal clemency, and for such acts the Governor-General-in-Council is not responsible either to Parliament or the public at large. Information on such matters is never made public. Even the right of Parliament to have it is not conceded. The position, perhaps, was never more completely stated than in 1927 when Hon. Lucien Cannon was solicitor-general. The question of giving out information in regard to paroles came before Parliament on February 15 of that year. Mr. Cannon declined to give any detail of what had been done in the cases then under discussion. He said:

"My hands, Mr. Speaker, are tied, and the leader of the opposition (then Mr. Guthrie) knows it. He has been solicitor-general in former governments, and he knows that every record in the remission branch, for motives and reasons of public interest, is confidential and cannot be brought before this house."

Important Western Case

Mr. Guthrie, who took part in this debate, did not challenge this statement of governmental practice in regard to paroles, nor did Mr. Bennett or any other member of Parliament. Scarcely a session goes by without a demand being made for information in regard to the granting of paroles. Invariably, the Minister of Justice refuses to give this information, and invariably he is supported in that position.

There have been many notable instances of this in the past. About one year ago, a prominent Western financier, who had been sent to penitentiary for criminal acts, was reported to be at large long before his term had expired. In this case the Justice Department refused all information, either to the newspapers and the public. It refused to confirm or deny the report notwithstanding the fact that photographs of the man, showing him walking along the street, were in circulation.

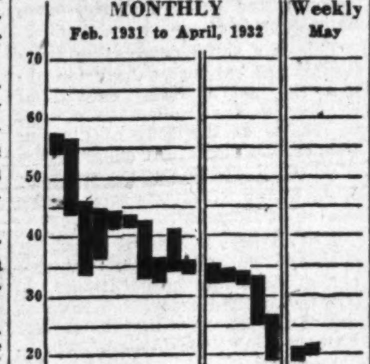
Released Dangerous Men?

In yet another case a politician who had been a criminal lawyer became Solicitor-General and proceeded to parole many of his

(Continued on page 2, col. 6)

Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

20 Industrial Stocks	High	Low
Week of June 14	21.2	19.4
Week of June 7	20.9	18.7
Month of June, 1931	46.1	35.2
8 Bank Stocks		
Week of June 14	150	148
Week of June 7	154	149
Month of June, 1931	232	218
10 Public Utilities		
Week of June 14	38	36
Week of June 7	38	35
Month of June, 1931	75	63

Highlights of the Week

Happenings That Make News for This Issue of The Financial Post

Textile Securities

Beset with some difficulties, Canada's textile plants are pulling nicely through the depression. A review of the leading companies is to be found on pages 11-14.

Some feature articles worth noting are:

Imperial Conference and textile industry 11
Silk mills near capacity 11
Low textile prices face efficiency 11
Dominion Textile maintains position 12
Wabasso Cotton shows gains.. 14
Statistical survey of textiles .. 15
Montreal Cottons rehabilitates plants 13
Penmans strengthens cash 13

Furniture

Prospects for industry slump following brief February boom. Page 7.

Crop Outlook

How much better Western grain prospects are this year than last shown in illuminating maps on page 7.

Empire Currency

It's a brilliant scheme but it has very real dangers for Canada. See "The Nation's Business," page 1, for a comprehensive summary of these dangers.

Remission Mystery

Who ordered release of two brokers from Kingston? Some mysterious points under query in "The Nation's Business," page 1. Also, Ottawa's policy on ticket-of-leave. Page 1.

Panics of the Past

Another in the series of stories of how Canada came through previous depressions. This week: 1848. Page 8.

Now, Lausanne

The background of the reparations and war debts problems that Lausanne Conference will discuss. Page 6.

Science and Farms

Some of the agricultural problems evoked by dietitics and machinery. Page 10.

Labor Advisers

Britain selects a Socalist and a Moderate as its Labor advisers for the Ottawa Conference. Personal sketches. Page 3.

Copper Tariff

U. S. excise tax on our copper may have good effect if it shows us how to find other more stable markets. Page 20.

Bondholders Lack Bargaining Power

Have Specific Rights When Bonds Are Defaulted But in Many Cases Lack Necessary Leadership to Take Decisive Action

Bondholders of solvent Canadian companies are becoming increasingly perturbed as to the security of their holdings in face of the apparent trend in favor of equity holders of companies that have gone into default on funded obligations and either have been reorganized or have been able to secure concessions from bondholders.

Under present conditions the bondholder is, in many cases, at a serious disadvantage. While bonds represent a specific and enforceable charge against assets of a company, in all too many cases the bondholders are asked to make concessions while holders of preferred and common stocks ranking junior to the funded debt retain their holdings without giving any return for concessions granted by bondholders.

These concessions may include the waiving of interest and sinking fund payments for a period of several years or assent to reorganization of the company under which first mortgage bondholders accept new first mortgage bonds bearing a lower interest rate to the extent of say 50 per cent of their holdings and preferred stock for the remainder. The latter plan is particularly prevalent in reorganization of real estate companies.

Some Typical Examples of Recent Interest

Recently the first mortgage bondholders of Burns & Co. were asked to and agreed to the postponement of three semi-annual bond interest payments to December 1, 1933, as well as sinking fund payments. The first meeting of bondholders was adjourned due to lack of a quorum although the meeting had been advertised in leading daily newspapers from coast to coast. At the second meeting the plan was sanctioned but two representatives of institutional investors were added to the bondholders' protective committee. No extra security or stock compensation was granted the bondholders.

Bond and debenture holders of Fraser Companies Ltd. meet early in July to consider a plan of reorganization whereby first mortgage bondholders are asked to exchange their present bonds for new bonds bearing the same interest rate of six per cent but with the provision that interest due for 1932 and 1933 will be suspended and be payable in five annual installments beginning July 1, 1937. Should interest in the third and fourth years not be paid when due, payment may be spread over a five-year period also. Sinking fund on the new bonds would start December 1, 1936, a hoist of several years. The authorized amount of first mortgage bonds would be increased and additional bonds issued while authorization is also asked for an issue of prior lien bonds to the amount of $2,000,000 which would rank ahead of the first mortgage bonds. The bondholders are offered no compensation beyond a stock option to be taken in lieu of the third year's bond interest if it is not paid. There is also a provision against payment of dividends that will impair working capital beyond a certain point.

Given Stock and Right to Vote!

Another case in point is that of the Cawthra Apartments Ltd. where bondholders were asked to exchange their seven per cent first mortgage bonds for an equal par value of six per cent mortgage bonds and six per cent non-cumulative redeemable preferred stock without any change in the control of the company. Bondholders objected to the arrangement and the preferred stock was given voting power with sole voting rights should dividends not be paid for a period of two years. Nevertheless the equity continues in the former hands. The bondholders get nothing more if the company is a success; if it is a failure they get what?—the right to vote!

Another case is that of Canadian Terminal System Ltd. where bondholders agreed to accept an equal par value of new first mortgage bonds bearing the same coupon rate as the previous issue but interest being payable only if earned and interest is not to be paid out of reserves. In this case bondholders authorized the release from the charge securing the bonds of securities sufficient to realize up to $150,000 while certain other assets were segregated. The bondholders made these concessions but investment interest in the common stock remained unchanged.

Got Common Stock in Two Companies

The Canada Power & Paper Corp. reorganization is one of the most recent and prominent cases where bondholders did receive common stock which ultimately will have a voice in control of the company. Capitalization of the new company, Consolidated Paper Corp., was reduced to the simplest terms and bondholders of subsidiary companies received bonds and stock, preferred and common shareholders received new common stock while holders of Canada Power & Paper Corp. common received one new share for each 10 shares held.

In the case of Canada Biscuit Co. bondholders are asked to accept new common stock in lieu of interest payable May 1, 1932 to May 1, 1933; to waive default of interest due November 1, 1933, should such occur, until May 1, 1946; to accept interest and principal payments in Canadian funds only; to permit suspension of sinking fund payments until 1935; and permit creation of prior lien bonds to the extent of $300,000. Present preferred and common stock is to be

(Continued on page 2, col. 5)

Hot Shot on Bond Defaults

From the bulletin of the Montreal Life Insurance Company

"In ancient days the bond was a sacred obligation. Now it is a joke on the insurance companies.

"One corporation after another is defaulting its bond interest, without excuse or apologies, trusting that the depression will be assigned as the cause, rather than the real reasons.

"Has one ever heard of a trustee taking action to protect the bondholders? Far be it from such. The trustee was appointed by the promoters and knows on which side its bread is buttered.

"Before corporation bonds will be in favor again as investments, new methods of corporation financing must be arranged whereby the interest of bondholders must be accorded all possible protection."

MOUNT ROYAL MAY REVAMP STRUCTURE

Foresee Plan to Bring Set-up in Line With Earnings

MUCH IDLE SPACE

Hotel Now Operating as 500 Room Unit — Half Potential Capacity

From Our Own Correspondent

MONTREAL. — Mount Royal Hotel, 1,000-room luxury hotel built at peak prices in 1921, is struggling to maintain its position against a tide of curtailed public spending power, restricted earnings and heavy charges. Profits this year are on a lower scale but the company is covering its bond interest requirements.

Indications are, however, that present conditions will lead to some sort of reorganization of the capital structure. It is reported that plans have already been discussed with a view to bringing the existing structure more in line with the company's present and potential earning power though no details have yet been made public.

Burdened With Space

According to those in touch with the situation the situation briefly is this: At the present time the hotel is being operated as a 500-room unit or just half its potential capacity. Hotel men work on a basis of 80 per cent of capacity or 400 rooms. Thus the company is faced with a heavy burden. Though operating expenses have been cut to the lowest point in the history of the company, taxes and various uncontrollable operating charges entailed in maintaining a 1,000-room structure present a serious problem.

Expenses can be controlled only up to a certain point. The management has worked aggressively to cut operating costs to the lowest possible margin; every day controllable expenses are checked to the nearest cent. Further, every department is operating on a budget; each week the heads of departments are required to present a detailed account of their proposed expenditures in the ensuing seven days.

Idle Bricks and Mortar

By operating the hotel as a 500-room unit various savings have been effected. Depreciation has been lessened, laundry, heat, elevator and other costs have been reduced. But all the time there are the uncontrollable expenditures to consider and it is these that are proving a thorn in the management's side.

The capital structure as it stands today comprises $3,560,000 of 5½ per cent first mortgage loan; $6,809,500 of 6 per cent preferred stock and 60,000 shares of no par common. There is also a sum of $1,200 of 8 per cent debentures and $15,000 of 8 per cent preferred outstanding, a relic of a former capitalization. These are convertible into the present 6 per cent preferred stock.

Structure Out of Line

Earnings of the company, under its present set up, are not sufficient to cover preferred dividends. The last payment on the preferred was made in August, 1931. A total of $3 a share was paid in that year. Those who have a knowledge of the hotel industry do not look for any immediate improvement in the situation and indications are that the Mount Royal will take some steps to clear away the present preferred stock and substitute a security which has a better chance of reflecting the company's earning power.

It cost over $9,000,000 to build the Mount Royal Hotel in 1921. Building costs were at a high level and a change in capital structure became necessary almost immediately. The original structure was accordingly changed to $7,000,000 of 8 per cent debentures; $7,000,000 of 8 per cent preferred and $6,000,000 of common.

Reorganized in 1926

This existed until 1926 when a reorganization became apparent. At the end of that year there was a general paring down of the structure and the present basis of capitalization came into existence.

Early in 1930 a new group acquired control of the organization. One of the first moves it made was to write off larger sums for depreciation each year; curtail dividend payments on the preferred stock and generally revamp operations. In view of the adverse circumstances which have surrounded hotels in the past two years it is claimed that the present management has achieved a measure of success.

Tourist Business Off

The chief problem which has to be met today is the lessened degree of patronage and the restricted spending power of travellers. Tourist business this year is falling below last year and conventions are fewer. There was one bright spot, however, when the hotel was filled to capacity for four days over the American Decoration Day holiday.

On such occasions the rooms which have been closed are thrown open; additional staff is called in and all comers can be taken care of. But in the intervening periods the Mount Royal is forced to struggle along with 500 rooms closed down; the factor which may necessitate some form of capital reorganization.

U. S. Life Companies Affirm Canadian Stake

Following announcement by Mutual Life Insurance Co. of New York that it was withdrawing from the Canadian field as at August 1, The Financial Post wired to the heads of the leading United States life insurance companies also doing business in Canada, asking them to confirm their continuance in Canadian territory.

Replies received from the chief executive of each company and from Harry D. Wright, Canadian manager of the Metropolitan Life, affirm in no uncertain terms the attitude of these companies which have just over $2,000,000,000 of business in force in Canada. Each company official states definitely that his company has no intention whatever of withdrawing from the Canadian field although Darwin P. Kingsley, president of the New York Life, qualifies his statement by stating that there is no "present intention" to retire from the Canadian field.

In view of the very real interest these replies have for 4,400,000 policyholders of these companies scattered across the length and breadth of Canada, The Financial Post reprints them herewith in full. Details of the withdrawal of the Mutual of New York from Canada are published elsewhere in this issue.

L. E. Zacher, president, Travelers Insurance Co.

"The Travelers Insurance Co. has been engaged in business in Canada since 1866. During that time it has accumulated a very substantial amount of satisfactory business as well as a very substantial amount of Canadian investments. It has great confidence in the continued growth of the Dominion and consequently expects to continue the development of its various lines of insurance therein."

Darwin P. Kingsley, chairman of the board, New York Life Insurance Co.

"I beg to say the New York Life has no present intention of retiring from Canada."

Edward D. Duffield, president, Prudential Insurance Co. of America

"Prudential Insurance Co. of America has no intention of withdrawing from the writing of new business in Canada. Its respect for the Dominion as a political entity and the people of Canada as desirable policyholders and insurance risks, would prevent it from entertaining such a thought. At the close of 1931 it had in force 1,485,745 policies on the lives of residents of Canada, representing insurance of over $452,000,000. This exclusive of group insurance which in addition covers thousands of employees of industrial concerns.

"At present the company has good Canadian investments of over a hundred million dollars which is largely in excess of the amount required by law to be deposited with the Dominion Government for the protection of its Canadian policyholders. The confidence of the Prudential in the type, character and ability of the Canadian people and the natural resources and position of Canada in the family of nations, is such that it looks forward to a steady and sure economic development of the Dominion after the present world disturbances are adjusted."

Harry D. Wright, third vice-president and Canadian manager of Metropolitan Life Insurance Co.

"The Metropolitan Life has no intention of withdrawing from the Canadian field, and the attitude of the company towards Canada is perhaps best illustrated by its present position in Canada.

"The company has been doing business here for sixty years, and at the end of 1931 passed the billion dollar mark of insurance in force in Canada, being the first company to have this amount of insurance in force in the Dominion. There are several features of the company's activities in Canada which have closely bound it up with the business and economic life of the country. These features include the investment of over $230,000,000 in Canada and the establishment of a Canadian head office at Ottawa for the exclusive administration of its business here.

"We have ample evidence of the great faith of the Canadian people in life insurance and in the Metropolitan, and as the company has confidence in Canada's future, we are certainly going to continue our activities here."

FEDERAL GOVT. NOT GIVING AID TO PAPER COS.

Unemployment Relief Act Does Not Contemplate Such Payments

From Our Own Correspondent

OTTAWA.—The request of certain paper companies for assistance from the Federal government under the 1932 Unemployment Relief Act has been definitely turned down. This information was obtained this week from reliable sources.

The report in last week's issue indicated that the request for assistance has been somewhat wider than actually is the case. Apparently the most vigorous petitions for state aid came from Price Bros., of Quebec, sponsored at Ottawa, indirectly, by Lord Beaverbrook, and the Abitibi Paper Company that was supported, as nearly as can be learned, by Premier Henry of Ontario.

In both cases the Federal government's answer was that the statute did not contemplate outlays of this kind. Since then, Price Bros. have taken a new road out of difficulty. Rightly or wrongly, Ottawa understands that the Ontario government will come to the assistance of Abitibi's subsidiary, the Ontario Power Service Corporation.

Donnacona Plan Ready Very Shortly

From Our Own Correspondent

MONTREAL.—Donnacona Paper Co. plan of reorganization is likely to make its public appearance within the next week or two. It is understood that the major points have been about settled and that only minor details remain to be cleared up before the scheme is laid before the security holders.

While no details of the offer are known, it is reported that Price Bros. and Co. will not disappear from the new picture, will retain about a 20 per cent interest.

Under the present set-up there is outstanding $6,852,000 of first mortgage bonds, $4,600,000 of debentures and 150,000 shares of no par value common stock. Controlling interest in the common stock is held by Price Bros. and Co.

Donnacona has been in financial difficulties for some time past. At the beginning of February last it was found necessary to pass interest on the debentures. Earnings for last year are unknown as the financial statement has not been published, though ordinarily due about the end of January. The 1930 balance sheet showed bank loans of $640,000 and a bank overdraft of $127,012.

B.C. Power Earnings Cover Dividend Needs

From Our Own Correspondent

MONTREAL. — Present indications are that British Columbia Power Corp. will earn the $2 dividend on its outstanding 1,000,000 class "A" shares for the year ended June 30 next.

During the 10 months period ended April, 1932, there was a drop in both gross and net operating profits. The latter totalled $3,912,205 as against $4,324,642 for the corresponding period of the previous year. Prior obligations—covering bond interest and preference dividends—dropped from $2,125,661 to $2,082,641, leaving a balance available for dividends of $1,829,564, compared with $2,198,981 in the previous period.

Dividends have been paid regularly on the class "A" stock on a basis of $2 per annum. Requirements for the ten months period total $1,666,666, so that the dividend in the 10 months ended April last was covered by a margin of about $163,000.

Earnings for May and June are likely to be somewhat lower than for the same months last year, but still sufficient to place net earnings available for dividends above the $2,000,000 mark.

Interest in B. C. Power securities of late has been limited. The "A" stock has been selling around 16, while the "B" issue has been bid at 3¾.

Canadian Vickers Add Staff in Marine Division

From Our Own Correspondent

MONTREAL. — Operations of Canadian Vickers Ltd. at present are a mixture of good and only fair. Since the opening of navigation on the Great Lakes and St. Lawrence River the marine department has been doing exceptionally well, but the other departments have been quiet. There is little business offering in the way of new aeroplane contracts, structural steel or industrial jobs, so that what profits are being made just now are largely attributed to the marine division.

Activity in the marine department is reflected in operations of the company's subsidiary, Montreal Dry Docks. Recently some 400 men were taken on by the dry docks in order to handle the contracts in hand.

Prospects of Canadian Vickers for the current year, which opened in March, are still indefinite. In the past two years the industrial department has been one of the most active divisions, but with conditions as they are prospects for any large volume of business are a bit remote.

The aeroplane division is quiet. The lessening of government and private aviation activities has naturally limited the buying of new equipment for the time being.

Activity in the structural steel department is largely contingent upon new building, which is rather sparse at the moment. The turn at mid-year may bring in some new business, but prospects are not overly bright.

FRASER CO'S. DEBENTURES BEAR BRUNT

Complete Plan Shows Senior Charges Little Changed

NAME 5 TRUSTEES

Belief in Rapid Comeback Motive Behind Offer Overcoming Pressing Burdens

From Our Own Correspondent

MONTREAL. — Reorganization plans of Fraser Cos. and Restigouche Co. rest on the belief that present conditions in the pulp and paper and lumbering industries are sub-normal and that before long earning power will be on a basis sufficiently large to justify the proposed capital set-up of the two companies.

The first thing apparent in an examination of the published scheme of rearrangement is that there has been no radical reduction in capital charges. Going on the basis that the properties have a large potential earning power which has not yet been realized, but which will be under more favorable conditions, those responsible for drawing up the plan have made no material reduction in senior obligations.

Debenture Values Cut

The greatest sacrifice will be made by the debenture holders if the plan is accepted. This security was offered in September, 1927, by Royal Securities Corp. and Wood, Gundy and Co. at 99½ and accrued interest to the extent of $5,000,000. A block of $1,000,000 was sold thirteen months later privately at 106 and interest. Under the plan these debenture holders are asked to accept 2 shares of no par value common stock for each $100 par value of debentures held.

It is pointed out that these debentures are unsecured, accordingly what might be regarded as limited consideration is given to the holders of this security. At the time of the public offering, obligations ranking ahead of the debentures included only $1,740,287 of current liabilities and $7,513,500 of first mortgage bonds.

Consequent upon the expansion plan carried out by the management since that date, upon which the value is yet to be realized, charges now ranking ahead of the debentures include $4,279,787 of current liabilities, $7,620,000 of notes and $8,202,000 of first mortgage bonds.

Details of the offering to the security holders of Fraser Cos. and Restigouche Co. have already been published in The Financial Post. Survey of the published plan brings to light a number of pertinent facts bearing upon the offering.

Debt of Fraser Cos.

In respect to Fraser Cos. it is noted that with the elimination of the debentures, which it is proposed to convert into common stock, the funded debt of the company will aggregate $12,002,000. This compares with $7,620,000 of notes and $8,202,000 of first mortgage bonds at present. But of the notes it should be remarked that $3,090,000 are secured by Restigouche bonds and under the plan, the note holders will exchange their security for the bonds of Restigouche Co. By deducting that amount, there is little difference in the funded debt of the company before and after the proposed reorganization.

In so far as current liabilities are concerned, of which $2,849,000 (consolidated) represented bank loans, it is understood that there will be no change.

The plan does not contain a pro forma balance sheet of Fraser Cos. as it will appear under the new arrangement. It is said that a number of changes are contemplated, especially in regard to inventories, which makes it difficult to draw up a balance sheet at present.

Restigouche Funded Debt

Turning to Restigouche Co., the plan shows that the funded debt of this enterprise will be larger than it is at present. The balance sheet at

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Rolland Paper Company Limited
High Grade Paper Makers since 1882
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The Nation's Business

(Continued from Page One)

vestments and speculations of the general public. It is just as important that the law, in this respect, should be vindicated, in order that it should be made clear that crimes of this sort will not be tolerated.

What is now desired in regard to these releases, but which has not been forthcoming, is some explanation along the lines indicated by Mr. Bennett. Upon whose recommendations were these men released—the judge who sentenced them? the penitentiary superintendent who guarded them? the attorney-general of Ontario? or private persons in whom Mr. Guthrie has confidence?

Imperial Currency and Its Dangers

MAJ. GEN. A. D. McRAE, a specialist in propaganda for magnificent schemes based upon inadequate study, is the latest recruit to the ranks of the Empire currency propagandists.

"Approached on the subject of currency," as the Canadian Press naively introduces its dispatch, Gen. McRae was ready with a prepared interview reminiscent of much inflationist propaganda that has emanated from certain interests in London recently. It is reminiscent also of a familiar type of patent medicine advertising. Patent medicine firms describe symptoms and when people find that their symptoms have been correctly described they are ready to accept with confidence the panacea offered as a cure.

Before Canada commits itself to any Imperial currency scheme it should have better evidence of its value than the propaganda of the international banking group who would rule the world from Threadneedle Street, better evidence than an accurate description of our present exchange-fluctuation ills.

* * *

TO SOME extent Canada may be considered as already committed to the adoption of the Imperial currency panacea.

One of the most surprising things that Parliament did in the session that closed recently was to pass the following resolution:

"That, in the opinion of this house, the Canadian representatives at the coming Imperial Economic Conference should initiate and support measures for the stabilization of the currencies of all British countries in such manner as to facilitate trade between the component parts of the Empire and to promote economic unity therein."

If the Canadian delegates to the Imperial Economic Conference were to take this resolution seriously they would have to consider themselves committed to approving any serious Empire currency plan submitted and if no plan were submitted to present one themselves. Of course, the Imperial Economic Conference will have no executive or legislative powers. It can do no more than make recommendations to the countries participating and it will be the duty of the responsible governments in the different countries to implement by legislation any recommendations that appeal to them. Nevertheless a unanimous vote by parliament in favor of Empire currency stabilization is significant and it might easily excuse Mr. Bennett and his colleagues if they rush hastily into some high sounding but thoroughly dangerous scheme.

* * *

IT MAY be taken for granted that some measure of stabilization of currency exchange values throughout the Empire is an essential prerequisite to any large increase in intra-Imperial trade. Tariff preferences will rise and fall in effectiveness with fluctuations in exchange rates. But how such exchange stability is to be achieved is another matter.

If no concerted action is taken it is likely that exchanges will tend to stabilize with a return of general world prosperity. But there are many who do not want to wait so long; who would undertake at once some Imperial measures designed to link all British currencies to a common denominator; the one most frequently suggested is the pound sterling.

The crux of the whole matter, so far as it relates to Canada, lies in the fact that while exchange stabilization within the Empire is highly desirable to us, it is not at all in the interests of Canada that such stabilization within the Empire should be achieved at the expense of constant and wide fluctuations in our dollar in terms of American dollars.

* * *

THE British frankly do not care very much at what price the pound sells in relation to the United States dollar. So much has been admitted by men as influential as Rt. Hon. Reginald McKenna, a former chancellor of the exchequer who is now head of one of the Big Five banks. He has said:

"Public anxiety about exchange fluctuations is unnecessarily exaggerated. If the pound retains a constant value measured in commodities, a rise or fall in foreign gold exchanges will only mark the degree to which gold has appreciated or depreciated."

But Canadians do and must care about the New York value of their dollar; they are vitally concerned with the rise or fall of gold.

At the present time and for some time to come in any event parity between the Canadian and the United States dollars is of greater importance to Canada than parity or even equilibrium between the Canadian dollar and the British pound.

* * *

CANADA'S attitude toward this question of exchange stabilization must be assumed only after a most careful consideration of the following important points which are easily overlooked by theoretical exponents of the inclusion of Canada in a sterling bloc of countries:

1. Canadian governments, industries and individuals owe some $4,000,000,000 to the United States, and the principal, interest and dividends, when paid, must be paid in American currency.

2. Canada is a large importer of coal, oil, iron ore and many other supplies that we can better import from the United States than from any other country and that we desire to buy as cheaply as possible.

3. The American market since the beginning of the war is the only one in which Canada has been able to borrow with any degree of facility.

4. Eventually the United States is likely to change its tariff policy and become an even larger purchaser of Canadian goods than the whole of the British Empire put together.

If Canada's currency becomes seriously depreciated in terms of gold values or of American currency values it will have some helpful effects for our exporters but it will also increase our production costs in many lines and have serious effects that are not at all simple to forecast.

* * *

INTRA-EMPIRE trade development is of the most vital importance to Canada but our people, in giving sincere and constructive support to proposals designed to build Empire trade, should not support those particuar plans that have as their object divorcing Canada from her trade and financial relationships with her mighty neighbor. This plot of a certain British group to isolate Canada from the continent of North America and from all gold countries is not in Canada's best interests and if too persistent an effort is made to force Canada to accept it, the whole Imperial Conference, with its immense potentialities for good in Canada, the Empire and the whole world, may be wrecked.

* * *

MANY able economists have recently joined the school that includes the inflationists, the managed currency theorists and the sterling bloc proponents. It is not difficult to see some advantages for some other countries in each and all of these proposals. But for Canada the advantages are less obvious than the very real objections noted above.

* * *

IT MUST be rather disconcerting to the new monetary school to have appear at this juncture the final report of the gold delegation of the League of Nations. A return to the gold standard as the world's best available monetary mechanism is strongly urged.

The report deals with the breakdown of the gold standard and how to restore it. "Impressed by the practical difficulties and dangers" of regulating currencies not on a common world basis and "the very great desirability of an agreement" on a common world standard, it rejects silver, bimetalism and other commodity standards since "whatever their theoretical advantages, their universal adoption presents a very grave if not an insuperable practical difficulty in present times" and gold at its worst is just as good.

* * *

THE second part deals with the workings of the gold standard and the desirability of avoiding violent fluctuations in the purchasing power of gold. It declares "the world's total stock of monetary gold, apart from any considerations as to distribution among different countries, has at all times in recent years been adequate to support the credit structure legitimately required by world trade, and the rapid decline of prices which began in 1929 cannot be attributed to any deficiency in the gold supply considered in this sense."

Regarding the suggestion that action be taken to raise prices, it deems a rise desirable but does not expect "monetary policy alone to adjust the price level, which is influenced by many" non-monetary factors. Where credit contraction has gone to extremes it declares it "imperative" for central banks to do what they can to check it "and sometimes to take the initiative in encouraging the freer use of credit." But it concludes that "it will be difficult to restore prices and standard of living" until "there is some clearing of the atmosphere of international distrust" and world trade is freer.

Regarding the future it declares it impossible to stabilize prices, and says what relative stability is possible is not achievable by monetary policy alone.

* * *

BUT in the meantime, Canadians find it hard to judge, between the conflicting statements of such strong governmental supporters as Gen. McRae, Hon. H. H. Stevens and the prime minister himself, what Ottawa's policy on monetary panaceas may be.

Recently Hon. H. H. Stevens has been giving many addresses on the subject of monetary reform. He is apparently an inflationist. At London, Ont., the Prime Minister lashed out at those who would tinker with our monetary system—the "inflationists" was the word he used. And then a few days later, Mr. Stevens, in Ottawa, gave another address in which he discussed the function of money in international trade and he prefaced his remarks by saying, with a most disarming smile, that he had recently been told to mind his own business. Rightly or wrongly, Ottawa is interpreting the two episodes as reflecting differences of opinion between the Prime Minister and the Minister of Trade and Commerce on monetary matters. Probably Ottawa is up to its old tricks of putting two and two together to make a dozen or more but it is nevertheless disconcerting that as the date of the Imperial Economic Conference approaches there is no tangible evidence of what the government's attitude toward monetary "reform" is now or is likely to be.

* * *

IS THE public to take it from the unopposed passage in the House of Commons of a resolution in favor of Imperial currency (framed by Mr. Stevens) that the government favors inclusion of Canada in the sterling bloc? Is the public to take it from Mr. Bennett's silence on silver in the face of Mr. Stevens' frequent speeches in favor of restoration that the government favors action on silver? There are other points of mystery. Mr. Bennett refuses to admit that Canada has abandoned gold. Mr. Stevens, in guarded but suggestive language, urges that the international gold system exchange has fallen down and requires reform.

So far as one can judge from what they have had to say Mr. Stevens is an anxious sceptic of the present monetary system and is willing to consider proposals for completely rebuilding it and Mr. Bennett is unconvinced that the system has actually broken down.

Must Canadians wait for the virtual "fait accompli" of an Imperial Conference agreement on Imperial currency before hearing from the Prime Minister?

Bondholders Lack Bargaining Power

(Continued from page 1)

cancelled and authorized capitalization of the company is to be reduced to 89,000 shares of no par value, of which 17,925 shares will be allotted to bondholders for interest.

Give Up Rights to Own Property

Even in these two cases, where a sop is thrown to the bondholders in the form of a portion of the common stock of the company, it will be noted that the bondholders are asked to give up their rights to foreclosure and ownership of the property.

One may well ask what value it is to the bondholders to have a "first charge" on the assets if, when trouble arises, they are asked to forego this first charge and take a cut in their security along with all other classes of security holders. Bondholders and common stockholders are all put in the same boat.

Parenthetically it may be noted that in both the Cawthra Apartments and the Canada Biscuit deal the preferred shares are unceremoniously wiped out in the interests of the common stockholders. This is possible because of the limited distribution of the preferred shares in these cases but it is an illuminating comment upon the "preferred" nature of "preferred shares."

Lack Bargaining Power

One serious weakness in the bondholders' presumably preferred position as a creditor is lack of bargaining power. While institutional investors may hold several substantial blocks of bonds of a given issue the great bulk of the bonds is usually in the hands of small investors scattered throughout a province, or, in the larger corporation issues, the Dominion. But a very small percentage of any bond issue is registered and the names of holders of most of the bonds are not known. The only exception to this is that the investment house which originally sold the bonds has records of its sales to clients although some of the bonds may have been re-sold since to unknown parties.

On the other hand the strategic advantage of the controlling equities is great since management of corporations is usually vested in large blocks of common stocks held by parties who are usually well aware of the financial and operating position of the business. In any event the register of the common stock is fairly accurate and complete which is not the case with the bonds outstanding. The important common stock holders may also own or control sufficient of the bonds to exert a considerable influence within the ranks of the bondholders themselves.

Lacks Information Needed For Action

The small bondholder is, in many cases, unable to secure information regarding the operations of the company in which he is interested. This is largely true of real estate companies which are owned privately and which were financed publicly only through issue of bonds. In many cases such bonds are actually in default of sinking fund payments but the small investor does not become aware of this until the company is unable to pay interest. The trustee for the bond issue is not obligated to notify bondholders or take other action of the default until asked by holders of a definite percentage of the bonds outstanding and the bondholder only learns of the situation after it is too late.

The first notification that the bondholder has of the actual position of his investment usually follows default by the company and is a proposal for reorganization of the company under which the investor is asked to make certain concessions. The actual position of the company is seldom stated in full and the proposal may come from sources unknown to the investor or sources in which he has lost confidence. The small bondholder is at a loss as to what shall be done. In many cases he is not in a position to attend the bondholders' meeting and through ignorance of the particular enterprise can make no constructive criticism.

Even when considerable effort has been made to secure the co-operation of bondholders there is difficulty in getting the required proportion of bonds represented at a meeting. This leads, in many cases, to adjourned meetings where the majority present may rule. Much of this seeming inertia on the part of bondholders is regarded as being due to indecision on the part of the investor as to which course he should pursue. On the other hand there is the investor who takes the situation in a fatalistic manner and signs his proxy in favor of some person in control without inquiring into the circumstances of the default or seriously studying the proposed plan.

Investors Demand Rights In Bond Reorganizations

Investors to a considerable number have telephoned or written The Financial Post, expressing the strongest approval of the article of last week dealing with corporation bond defaults.

The views of other investors, whether they approve or assail the arguments in these articles, are sought.

Insurance President Speaks

A. P. Earle, president of the Montreal Life Insurance Company, writes in part:

"I have just read with much interest the article in your June 11 issue entitled, 'Bondholders robbed of their fair rights.' I am heartily in accord with the views expressed by the editor of the article in question.

"The most recent case of flagrant violation of the rights of bondholders was that of the Canada Biscuit Company. No financial statements have been issued by such company for some years. This was accepted as evidence by the bondholders that things were not as they should be. I was given to understand several times by a director of the company in question that repeated offers had been made to buy out the company at a price that would retire the bonds in full and leave a fair amount as equity for holders of the junior securities.

"Now the bondholders are asked to defer interest and sinking fund payments and to accept a second mortgage in lieu of a first mortgage. A thing of this sort is an absolute crime."

Epidemic of Committees

Mr. Earle sends The Post a copy of his company's house organ, containing these comments:

"In recent months there has been an epidemic of bondholders' protective committees, which aim to protect everybody but the bondholders. In ancient days the word bond carried some meaning. That was away back in Eighteen Hundred and Ninety-Twelve. Then a bond was a sacred obligation. Now it is a joke on the insurance companies. During these latter days one corporation after another is defaulting its bond interest, without excuses of apologies, trusting that the depression will be assigned as the cause, rather than the real reasons—gross mismanagement, lack of any sense of obligation, extravagant official salaries and directors' fees, unreasoning over-expansion, failure to build up adequate reserves during productive years, payment without warrant of dividends on watered stock, utter inability to recognize conditions and make suitable adjustments.

"During the process of corporation busting, bondholders sit helplessly on the side lines, utterly powerless to interfere. They may fret and fume, get hot under the collar, especially in July and August, gnash their teeth, natural or false, at this needless and apparently purposeful destruction of their capital, but they can't stop it. Of course, after the collapse, the bondholders have the right to foreclose on the property, including a lot of bank loans, bad debts and a rotten reputation. Technically they can do this. It is the theory but not the practice.

"'What,' say the unrighteously indignant wreckers, 'are we to permit the bondholders to seize our property? Have the common shareholders no rights?' So they, the shareholders, with the connivance of the trustee for the bondholders, form a bondholders' protective committee—God save the mark! Parenthetically this idea of there being a trustee for the bondholders is a scream. As a hoax it outranks the best effort of Curtis. Has one ever heard of a trustee taking action to protect the bondholders? Far be it from such. The trustee was appointed by the promoters and knows on which side its bread is buttered.

Sop in Stocks

"The bondholders' contraction committee arranges a reorganization. Working capital is necessary and those who furnish it get a first mortgage on the property. The first mortgage bondholders get second mortgage bonds or debentures. Perhaps they are handed a sop in the form of 20 per cent of worthless common stock. The corporation continues to be controlled by those who wrecked it, and who naturally continue their fat salaries and other perquisites.

"We had a trusting faith in our industrial and financial leaders and in our investment bankers, so dubbed because they did the banking and the public the investing. There is a law to prevent estimates by life insurance companies, more honored in the breach than the observance. However, the most glowing estimates ever issued by a life insurance company were weak understatements compared to the gross exaggerations and fantastic predictions contained in many prospectuses distributed by bond dealers and bearing signatures of corporation presidents.

"It has been a painful lesson but it has been well learned. Before corporation bonds will be in favor again as investments new leaders, industrial and financial, must arise and prove their abilities and trustworthiness, new methods of corporate financing must be arranged whereby the interest of bondholders shall be accorded all possible protection."

OTTAWA HAS CLEAR POLICY ON PAROLES

(Continued from page 1)

former clients, in whose defence he had been unsuccessful. In this case, also, Parliament was refused the information, although it was commonly known, that at least one provincial attorney-general formally protested to Ottawa on the ground that these paroles could not be justified and that, in fact, the Solicitor-General of the day was releasing dangerous criminals who would most likely resume their law-breaking at once.

Policy of Bennett

Of interest, at the moment, is a statement made to Parliament by Rt. Hon. R. B. Bennett in 1927, before he became Conservative leader. In this statement Mr. Bennett clearly defined the considerations which he believed should govern all decisions in matters of parole. He said:

"There is no such thing as justice with respect to tickets-of-leave; it is merely a question of the exercise of discretion, founded upon judicial opinion, sometimes that of a judge, sometimes the views of penitentiary authorities or, perhaps, those of persons in charge of gaols, as to whether or not the release of a particular individual will enable him to start over again, to begin a new life under fresh conditions and overcome the peculiar difficulties that surrounded him in his first or second offence, as the case may be.

"Everyone who has read the life of that leader of the church army in England, Prebendary Carlisle, will understand thoroughly what has been done with reference to matters of this sort. Now and then it is possible to pick out a man and to say, 'Here is material out of which a real man can be developed. Here is a case in which a ticket-of-leave may safely be granted.' Where there has been inexperience in connection with the commission of a crime, or where the other factors are such as to render it advisable, one may support the granting of parole. But in the case of a man of a notorious past, who has exercised political influence improperly in days gone by for one party or the other, it is important that the law should be vindicated in order that the public at large may appreciate the inevitable character of the consequences that follow upon wrongdoing. People should be made to understand that forgery, the manipulation of ballots, the destruction of ballot boxes, the marking of ballots otherwise than in the manner contemplated by statute are all contrary to the law and that any violation of the law in any of these respects shall be visited with rigid punishment, so that those newcomers who are to attain Canadian citizenship shall respect the institutions of the country. They should be made to understand that such lawbreaking as this is not to be tolerated, and that the law will be enforced whatever may be the result."

FRASER CO'S. DEBENTURES BEAR BRUNT

(Continued from page 1)

December 31, 1931, revealed a funded debt of $4,887,500. Under the new plan the funded debt will be $4,946,000. At the same time there is an increase in interest charges.

It is further noted that the plan does not give any idea of the earning power of Restigouche Co., in which the three-year note holders of Fraser Cos. are asked to accept first mortgage bonds. This company operated its sulphite plant at 85 per cent of capacity in 1931, but there is no indication of the amount of earnings derived from that source. Further, it should be noted that the balance sheet shows a profit and loss account deficit of $2,015,417.

Consolidated Income Account

It is the intention to continue consolidating earnings of this company with those of Fraser Cos., so that no apparent value was seen in publishing a separate income account. Those who accept the offer will not know the earning power of the property until such time as its income account is divorced from that of the parent organization.

At the same time examination of the Restigouche balance sheet shows bank loans of $958,000, which will remain undisturbed under the reorganization plan.

Dividend Restrictions

An interesting feature of the trust deed covering the first mortgage bonds is provision prohibiting the payment of dividends on any capital stock of Fraser Cos. and Restigouche Co. until (1) all arrears of interest on the first mortgage bonds have been fully paid; (2) untill all prior liens have been redeemed and cancelled; (3) until the net working capital of Fraser Cos. amounts to $3,500,000 and Restigouche Co. to $1,500,000, (it cannot be reduced below such sums by payment of dividends); and (4) until payment of sinking fund installments under the trust deed securing the new first mortgage bonds of Fraser Cos. has commenced. The latter provision is not included in the terms of the Restigouche reorganization.

Another Voting Trust

Undoubtedly one of the outstanding features of this reorganization plan is the proposal to set up a voting trust agreement, under which the trustees will hold all the common stock of Fraser Cos. and Restigouche Co. In other words, control of all common stock issued to present common stock holders, debenture holders and note holders, will be vested in the hands of five trustees.

The plan proposes for trustees, the following: J. A. Ewing, K.C., and I. W. Killam, of Montreal, Col. Robert F. Massie and R. S. Waldie, Toronto, and Howard P. Robinson, Saint John, N.B.

This is a self perpetuating trusteeship and cannot be dissolved unless the net working capital of Fraser Cos. shall amount to at least $3,500,000 at the time of dissolution, or by action of the bondholders.

Of those nominated for trustees, J. A. Ewing, K.C., is a well-known lawyer of Montreal.

I. W. Killam is head of Royal Securities Corp. and director of a number of Canadian corporations. It will be recalled that Mr. Killam is one of the three voting trustees for Famous Players Canadian Corp.

Robert F. Massie is identified with a number of insurance companies and assumed the presidency of Asbestos Corp. under that company's reorganization plan.

R. S. Waldie is a director of the Imperial Bank, vice-president of the Confederation Life Association and a director of a number of other companies.

Howard P. Robinson is a director of Canadian International Paper, Moirs Ltd. and other Maritime organizations.

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THE ROBERT SIMPSON COMPANY LIMITED

Vancouver Grain Flour Exceeded Only By 1928

From Our Own Correspondent

VANCOUVER—Increased shipments to the United Kingdom and continental Europe have been responsible for giving this port the second largest grain shipping season in its history. Figures for the season are not yet complete, but it is expected that the total will be about 81,000,000 bushels for the crop year ending July 31. More than 75,000,000 bushels have already been shipped through Vancouver and there are bookings already for more than 5,000,000 bushels.

Only in 1927-28 was the shipment greater than this year. The all-time record is 95,407,519 bushels. The present season got off to a good start, slumped badly in the autumn and then picked up well this spring. Due to political conditions sales to the Orient have been off, and South American markets have absorbed only about half the usual amount, but the losses there have been more than offset by gains in Europe.

Meet them here!

Plan to meet your friends in Chicago this summer at THE DRAKE—a hotel famed for its food and service. You will revel, too, in the sparkling expanse of blue Lake Michigan with its ever-shifting scenes and refreshing breezes. Yet here you are within a few minutes' interesting walk down a beautiful boulevard to the heart of the theatre and business district of Chicago.

Rates as low as four dollars a day single room with bath; six double. Under the Blackstone management known the world over.

Write now for information on Special Discount offered on extended Summer visits.

The DRAKE HOTEL *Chicago*

Atlantic Sugar Approve Deal General Sugar

Shareholders Accept Offer to Buy Control of Stock

From Our Own Correspondent

MONTREAL. — Preferred and common stock shareholders of Atlantic Sugar Refineries have approved the proposed plan whereby the complete assets, undertakings and goodwill of the company will be taken over by General Sugar Refineries.

Under the plan, preferred shareholders are offered one share of Class "A" preferred stock in the new company, together with $82 of debentures for each share of stock held, together with arrears of interest. The common stockholders are offered $30 in cash for each share of stock held.

No Dissenting Vote

No dissenting vote was cast at the meeting, there being present in person or by proxy, 9,337 shares of preferred and 69,259 shares of common. There are presently outstanding 11,111 shares of Atlantic Sugar preferred and 78,889 shares of common.

Change Trust Deed

Adoption of the plan put forth by General Sugar Refineries implies that the trustee of the general mortgage bonds has agreed to the accelerating of the sinking fund on that issue. Under the terms of the trust deed, it would not be possible for the company to pay any dividends on the capital stock until the funded debt of the company had been reduced to $3,000,000 and also no dividends could be paid which would lower the net working capital beyond $750,000.

At the present rate of progress, the funded debt of the company would not be reduced to $3,000,000 until 1934, but part of the present plan provides that the sinking fund be accelerated so that the funded debt be reduced to that figure before 1934. Ths would permit the payment of dividends on the capital stock.

Price Realty Left in Lurch By Price Bros.

From Our Own Correspondent

MONTREAL. — Much interest surrounds the position of Price Realty Co. bonds, which are secured by real estate and the Price House building in Quebec City. The hitherto strong feature of these bonds is a notarial lease signed by Price Bros & Co., under which Price Realty would receive sufficient income to take care of all charges. Public financing was carried out in May last year by W. C. Pitfield & Co., $750,000 par value of bonds being offered.

Under the proposed plan of reorganization of Price Bros. & Co., all creditors are being asked to make substantial sacrifices. In respect to Price Realty bondholders, Lord Beaverbrook says: "These bondholders have been asked to take 15-year 6 per cent income debentures. Some of them are demanding an improvement in their position. It is impossible to make any concessions. The Price Realty bondholders cannot get even these terms if the reorganization is delayed. Their security is valueless, and if these bondholders foreclose they will undertake a liability for themselves."

A meeting of the Price Realty bondholders will be called within the next sixty days to consider the situation.

B. C. Fish Catch Lower in 1931

Output of British Columbia fisheries in 1931 was valued at $11,109,822, compared with $23,103,302 in the preceding year, these totals representing the value of fish sold fresh, canned, cured or otherwise marketed. This great decrease is almost entirely caused by the small salmon catch and pack of 1931, the pack being 685,104 cases valued at $5,207,698 as compared with 2,221,783 cases valued at $13,903,386 in 1930.

Catch of fish of all kinds in 1931 amounted to 4,649,962 cwts. with a value to fishermen of $5,880,985, compared with a catch of 5,527,004 cwts. and a value of $12,873,331 in 1930. Total value of salmon to fishermen in 1931 was $3,291,442 as compared with $8,178,115 in 1930. The halibut catch was also less, amounting to 182,005 cwts. worth $1,156,177 to fishermen as compared with 254,796 cwts. worth $2,402,574 in 1930.

Capital employed in the industry in 1931 totalled $20,250,427 of which $7,777,932 was in primary operations and $12,472,495 in canning and curing establishments. These figures compare with $37,671,577 in 1930, of which $13,318,488 was in primary and $24,343,089 in secondary operations. The decrease of 49 per cent in amount invested in secondary operations is chiefly due to the fact that there were only 35 canneries in operation in 1931 as compared with 60 in 1930.

There were 9,495 men employed in primary operations in 1931 and 3,772 persons in secondary operations, a total of 13,267. These figures are not comparable with previous years as they now represent man years as compared with man seasons formerly.

Lumber Production Greatly Curtailed on West Coast

Of the 321 mills reporting to the West Coast Lumberman's Association, 196 were reported closed during the week ended May 14 and 135 operating. Operations were 24 per cent of capacity, the same as the previous week and compared with 45.6 per cent on the same week of 1931.

Production of 216 identical mills totalled 58,945,552 feet in the week as compared with 59,277,993 feet in the previous week. Orders were 63,323,246 feet, 7.43 per cent over production and shipments were 21.93 per cent over production at 71,878,433 feet. Unfilled orders on hand at the end of the week ended May 14 amounted to 165,663,000 feet.

Federal Truck Enters Lower Price Class

Federal Truck Co. of Canada announces a new 2-ton truck to sell at less than $1,400. This model is an attempt to fill the demand for a motor truck in this capacity class by motor truck operators in many lines of business.

Four wheelbase lengths are available in this new model, 132 in., 144 in., 152 in. and 164 in. The power unit is a six-cylinder L-head type engine, 3¾ in. bore by 4 in. stroke developing 72 h.p. Four speed transmission and disc wheels are standard.

Two Labour Leaders Selected for Ottawa

As Advisers to British Government, One Extreme Socialist and One Moderate Are Coming to Imperial Economic Conference

By JOHN A. STEVENSON

The National Ministry, which has been ruling the destinies of Great Britain for the past year, is a coalition government in which all the parties in the state except the Communists are represented. Its leader, Rt. Hon. Ramsay MacDonald, is particularly anxious to preserve its National character and obviate any suspicion that it is completely dominated in its policies by his Conservative allies. He still professes himself an ardent devotee of the Socialist principles of the Labor party and so, when he appointed a panel of industrial commercial and financial leaders to accompany the British delegation to the Economic Conference, he could not very well avoid adding to them some representatives of the labor elements. However the Labor advisers are only to be two in number and the chosen pair are two well known figures in the British Labor movement, W. M. Citrine and John Bromley.

CITRINE

Walter McLennan Citrine is one of the younger leaders of the British trades unions who has come rapidly to the forefront in recent years. He was born in Liverpool in 1887 and had to be content with what education the local elementary schools could afford. After completing it he served his apprenticeship as an electrician and followed this trade in Liverpool. Joining the local electricians' trades union in the city he demonstrated qualities of leadership, which brought him in 1912, when he was only 25, the position of secretary of the electricians' union of the Mersey district. As the holder of this post he also became a member of the executive of the Liverpool Trades' Union Council.

Assiduous Student

Citrine, therefore, became engrossed in labor organization work at an early age and he proceeded to improve his natural capacity for such duties by assiduous reading in his spare time and close study of economic and social problems. Having thus reinforced his intellectual equipment, he was able to render much more effective service to the workers of Liverpool and in 1917 he was elevated to a more important office, the presidency of the Federation of Engineering and Shipbuilding trades in the Liverpool area. It was the most powerful trades union organization in the district and Citrine therefore, before he was 30, had come to be recognized as the ablest of the Labor leaders in it.

Liverpool had for many years been a great stronghold of Conservatism, which at election after election had contrived to secure the votes even of a majority of the working classes and Citrine, while carrying on his work as a trades union leader which involved negotiations with employers and the government, set himself to build up the political end of the Labor movement. He became Chairman of the local Labor party in Wallasey, a suburb of Liverpool, and at the general election of 1918 he accepted the Labor nomination for the borough division of Wallasey. But the war fever was still running in the nation's veins and the prestige of Lloyd George's coalition ministry was at the moment too high for the Labor party to have much success in breaking new ground and so Citrine was heavily defeated by a Conservative in his first and only attempt to enter Parliament.

Competent Propagandist

He went back to his work as a trades union leader but kept on with his efforts to strengthen the organization of the political Labor party in Lancashire. He was a competent and effective propagandist and his efforts gradually bore fruit in the shape of a steady stream of recruits for the Labor party. At the general election of 1923 the first serious inroad ever made by Labor upon the Conservative preserves of Liverpool took place and, although the Labor party suffered a severe setback in the region at the last election, it has now a very formidable joint organization, which has to be reckoned with in all except the better-class residential constituencies. And experienced political experts on the spot give a great deal of the credit to the remarkable increment of the strength of the Labor party in the Liverpool area since the war to Citrine.

However, while he is still deeply interested in Liverpool politics, he has since 1923 been operating in the national field. In that year he was appointed assistant general secretary of the electrical trades unions of Britain and migrated to their central headquarters in London; at the same time he became a member of the Research Department of the Labor party, which is its sort of intellectual engine room. Each successive promotion found him able to justify it by his work and the elder statesmen of the Labor party came to recognize him as a leader who had qualifications for the most responsible offices in their gift. So in 1924 he was appointed Assistant-Secretary of the Trades Union Congress of Britain and thereby he became one of the chief directors of Labor strategy.

Helped Organize Strike

He played a considerable part in organizing the great general strike, which caused such anxiety until its dramatic collapse, and, although he persevered with the effort until its hopelessness was revealed, it is said that when it was first launched he counselled strongly against it as an unprofitable adventure.

By this time he had gained the complete confidence of the trades union leaders and they made him acting secretary of the Trades Union Congress in 1925 and three years later, when they had received fresh proof of his abilities, they gave him the full rank of permanent secretary. So today Citrine is practically at the wheel of the Labor movement in Britain and has a great deal of say in the evolution and direction of its policies.

Is Pronounced Socialist

Endowed with a full measure of Lancastrian shrewdness and caution, he is completely convinced that the capitalist system has irrevocably broken down and that some sort of Socialist state is inevitable for Britain but he is no wild extremist in a hurry for a revolution and wants to build steadily and surely for the future. Apart from his abortive venture in 1918 he has never shown any enthusiasm for a parliamentary career although he could almost at any time have had a safe seat. His speeches and writings indicate that he is dubious about the efficiency of political action for the improvement of the lot of the working classes and has more faith in industrial action. He has not neglected the international side of the Labor movement and is President of the International Federation of Trades Unions Besides being a good platform speaker, he has done considerable writing for the Labor cause and is the author of the two books "The Labor Chance" and "The British Trades Union Movement."

Opposes Government

Altogether Walter Citrine is one of the most respected figures in the British Labor party and in view of the fact that he makes no secret of his hostility to the present government, his selection is thoroughly creditable to the latter. It will be his duty to look after the interests of British labor as represented by the Labor party at the conference and if and when he is consulted about food tax preferences, he will likely put in word against them. He is also an ardent currency reformer who has no love for the Bank of England and its works, and wants state control of credit, and such elements as want an Imperial currency may find in him a strong backer as he will be ready to favor anything that the more conservative bankers dislike.

BROMLEY

His colleague, John Bromley, is a veteran figure of the Labor movement but a much less important personage in it. Born in 1876, he entered the service of one of the British railways as a boy and graduated through various stages until he was qualified as an engineer. He also took part in the activities of the railwaymen's unions and rose to prominence first locally and then nationally. In 1914 he was chosen general secretary of the Associated Society of Locomotive Engineers and Firemen and thereby became a leading figure in the trades union world. At the general election of 1918 certain seats were given to this trades union to find candidates for and finance their contests and John Bromley was chosen to fight Northeast Leeds for the Labor party. He made a creditable fight but patriotic sentiment carried in most of the coalition government's candidates including his opponent and before the next general election came round in 1922 he had migrated to what seemed a more propitious field in Barrow-in-Furness a shipbuilding and industrial town in northern Lancashire. In 1922 he won this seat, which is always close fighting ground only to lose it in the following year. However he had established himself very firmly in the affections of the local Labor party and he won his seat back in 1924 and held it very comfortably in 1929.

Is Moderate In Views

In Parliament without achieving any special distinction and giving any sign of being qualified for ministerial rank he has always cut a creditable figure speaking with authority and in reasonable terms upon labor and social problems and he has been counted as belonging to the moderate wing of the Labor. As a leader of the railwaymen's union, he was naturally thrown into close association with redoubtable "Jimmy" Thomas and so, when the crisis of last summer befell and a split occurred in the Labor party he was in a difficult position. He was disposed to support the idea of a national ministry but his supporters in Barrow-in-Furness were not and he solved the problem by declining to stand for election again. His neutrality doubtless helped Mr. Thomas to keep for the MacDonald ministry a substantial element of the railwaymen's vote throughout the country and naturally Mr. Thomas is grateful for such a service. Mr. Bromley probably owes his selection to Jimmy Thomas' influence and he will represent at Ottawa the Laborites who support the national government.

Beaverbrook Dogmatic On Price Bros. Situation

From Our Own Correspondent

MONTREAL.—Declaring that he would have nothing to do with Price Bros & Co. unless the plan of reorganization was carried out in every detail, Lord Beaverbrook issued an official statement before he left for England, in which the English peer said that the plan of readjustment was making progress.

The first mortgage bondholders, who are being asked to relinquish their sinking fund for a period of five years, have agreed to the proposal.

In respect to the Price Realty Co. in which Price Bros. has a contingent liability of some $75,000 a year, Lord Beaverbrook advised the bondholders of that company to accept what was offered them as it was impossible to make any concessions. "Their security is valueless," he said, "and if the bondholders foreclose they would undertake a liability or themselves."

Must Show Loss

In respect to current position of the company, Lord Beaverbrook has the following to say:

"Price Brothers & Co. must show a net loss of more than a million and a half of dollars in the present year. If newsprint prices decline, the net loss will be increased.

"The company is operating at 60 per cent of capacity. There can be no increase in output during this year. And until increased business is secured, there can be no improvement in the financial position. In fact we must show worse results.

"I would be quite willing to divert additional orders from England to Price Brothers & Co. at the present moment, but it is impossible to take further orders for 1932. The output is limited by available supplies of wood. That is all there is to it.

"The big question is, will we be able to sustain the company until the day when we can take more orders and make more money?

"Some persons with speculative inclinations speak of buying bonds and preferred shares at present prices. There was a big order for bonds in the market yesterday from London. It would be folly to buy now. The future is obscure. And I will have nothing to do with the company unless the plan of re-organization is carried out in every detail. This is, and is intended to be, a warning to bold investors."

Importers Organize to Attack Tariff Clauses

Canadian Importers Protective Association, recently formed in Tonto, has, as its aims, the protection of the importing business and the simplification and modification of tariff charges, regulations and valuations. A branch of the association has already been established in Montreal and it is expected that others will be formed until the organization is Dominion-wide.

Importers throughout Canada have found that the present method of valuation for duty purposes makes it a difficult matter for them to estimate true values and the feeling is general that the specific duty, in many cases, could be dispensed with and a straight ad valorem duty levied.

New De Soto Model Will be 7 Passenger Job

De Soto will shortly place on the Canadian market an additional model in their six cylinder range. The new car, it is understood in trade circles, will have a seven passenger body built on the present six cylinder chassis.

Roominess is said to be the feature of this new model and it is claimed that inside body measurements are as large as in most seven passenger cars in the highest price class.

Apply Ratio Analysis To Balance Sheet Study

Comparisons Are Difficult Unless Uniform Plan is Adopted

By WILLIAM SNAITH
Industrial Engineer

Study of balance sheet statistics present many difficulties for the uninitiated as even the same concern may vary the form from year to year, with the result, if not the object, of making comparisons difficult. Yet when these balance sheets, or those of a group of companies in the same line of business, can be compared there ceases to be any mystery as to why one year was worse than the other or why one of the group holds a good lead and others trail far behind the field. Financial strength depends on skill in handling resources much more than on size or subscribed capital.

Assuming that financial statements contain accurate and complete information they can be very profitably compared by ratio analysis. There is considerable literature on this subject which is authoritative and the mechanisms of it need not be discussed here. When once the arrangements of items follow a uniform plan the calculations can be made in a matter of a few minutes per statement. This feature should have a great appeal to a busy credit department, for instance.

Ratios in great number have been proposed and studied. The most effective ratios in average conditions would appear to be:

Internal Ratios—

1. Current assets to current liabilities.
2. Quick assets to current liabilities.
3. Net worth to debts.
4. Permanent capital to non-current assets.

Test Ratios—

5. Sales to receivables.
6. Sales to inventories.

Efficiency Ratios—

7. Sales to fixed assets.
8. Sales to total assets.

Comparisons can be made in many ways. There have been objections by some to comparing the ratios of one company with those of another and it is true that some such comparisons may have little value. If it is known, however, that exactly similar figures are being compared and that nothing has been left out in one case which was included in the other, any risk is small. What is sought is an aid to judgment rather than a substitute for it. The maximum value undoubtedly comes when the figures for several years can be compared and then the trends of the percentages become very full of meaning.

A credit index which reduces the ratios of a financial statement to a single feature can be calculated by assigning weights to ratios as follows:

Ratio—	Weight
Current ratio	25
Worth to total debt	20
Sales to merchandise	15
Sales to receivables	15
Net worth to non-current assets	10
Merchandise to receivables	5
Sales to net worth	5
Sales to fixed assets	5
	100

C.I.L. Complete Unit Produce Cellophane

From Our Own Correspondent

MONTREAL.—Installation of the second unit completes the Cellophane plant development of Canadian Industries Ltd. at Shawinigan Falls.

It will be recalled that announcement was made late last year that the company would build a plant for the production of this new type of wrapper. The first unit was completed not long ago and production started at the beginning of this month.

As plant operations are on a twenty-four hour basis, the second unit will be used as a stand-by for the time being, though it is expected to be put into regular production before long.

Lower Production in 1931 by P. E. I. Fisheries

Fisheries of Prince Edward Island in 1931 had a product valued at $1,078,901 as compared with $1,141,279 in 1930 and $1,297,125 in 1929, these values representing the values of fish marketed, whether sold fresh or canned, cured or otherwise prepared. Total catch was 235,830 cwts. with a value to fishermen of $765,043, compared with a catch of 256,710 cwts. valued at $843,618 in 1930.

Lobster was the most important individual type in 1931, 80,820 cwts. being landed with a value to fishermen of $539,730 and a marketed value of $694,227 as compared with 94,150 cwts. worth $553,676 to fishermen and $754,542 in marketed value.

Capital employed in 1931 totalled $939,212, of which $756,197 was in primary operations. There were 2,431 men employed in the boats and 313 persons in the canning and curing establishments.

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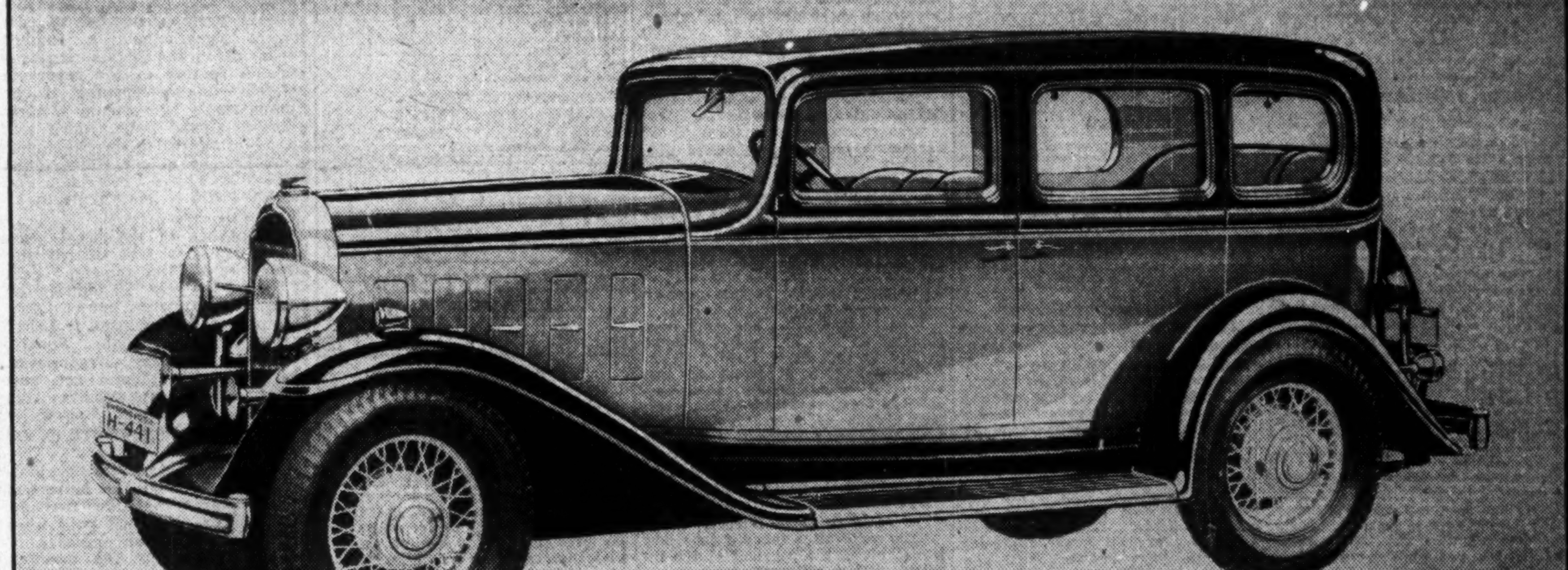

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* List at factory, Oshawa, taxes extra

McLAUGHLIN-BUICK LEADERSHIP
More than two people buy McLaughlin-Buicks to every single buyer of the next car in McLaughlin-Buick's price field. More than 80 out of every 100 McLaughlin-Buick owners buy McLaughlin-Buick's again. Registration figures to the end of April of all cars sold in Canada in McLaughlin-Buick's price range, tell the story:

McLAUGHLIN-BUICK	36.0%
CAR "A"	14.5%
CAR "B"	13.4%
CAR "C"	10.4%
CAR "D"	7.4%
REMAINING 7 CARS	18.3%

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Utilities and Transportation

DEFENDS SCHEME OF GRAND FORKS FOR LIGHT PLANT

City Clerk Alleges Company Charges "Exorbitant" Rates

A forceful defence of the position policy of Grand Forks, B.C., in going ahead with its own light and power plant in the face of determined opposition from the West Kootenay Light & Power Company is made in a letter to The Financial Post from John A. Hutton, city clerk of the city.

Mr. Hutton writes:

"A by-law was passed in 1926 and approved by the provincial government, purchasing from the Granby Consolidated Company certain lands and privileges together with water rights which had been exercised jointly by the Granby company and the city in generating electric power for the city. This was many years before the West Kootenay Co. came into the district.

"For several years the city has purchased power from the West Kootenay Co. taken from its main power lines passing through the district, at first at a rate of 1 cent per kw.h., this rate being increased from time to time until the city was billed at 3 cents per kw.h., and application made by the company to the Provincial Water Board to confirm this rate. At this time the West Kootenay Co. was selling power to an American company at Northport, Washington, N.S.A., over a power line especially erected to serve that town, only, at 2/5 cent per kw.h. Grand Forks appealed to the Provincial Water Board to set a fair rate, but the board declined, the action costing the city between $4,000 and $5,000.

"In February last, with the assurance of the Water Comptroller that the water license was in the name of the city, and under Section 24 of the Municipal Act, the ratepayers almost unanimously approved a by-law for a hydro-electric plant, partly as a financial investment and partly as an unemployment relief project. The by-law was approved by the Inspector of Municipalities. The necessary money was advanced by the citizens and the plant is almost completed.

"The point at issue is: Shall a provincial government, by order-in-council, override a city charter protected by the Municipal Act, and deny a city the right to generate power for its own citizens, to be distributed within its own boundaries, from a plant almost unanimously approved and fully paid for by its citizens, and force such city to scrap an investment of $70,000 and purchase power from a company charging an exorbitant rate, subject, only to appeal to the privy council, which is prohibitive to a small city of 1,400 people?"

QUEBEC CENTRAL MEETING ROUTINE

Will Resume Motor Coach Service — Directors Re-elected

From Our Own Correspondent

MONTREAL.—Annual meeting of the Quebec Central Railway Co. was a routine affair.

Reference was made at the meeting to the sharp decline in the volume of traffic handled by the company in 1931. The general depression acutely affected the pulpwood, paper, asbestos, lumber and forest products, building materials and other industries located on the company's lines, which represent its principal sources of freight traffic. There was also a considerable decline in passenger revenue, which was due to a large extent to the depression and also to automobile competition.

Resume Coach Service

Quebec Central Transportation Co., a subsidiary of the railway company, will resume this summer a highway motor coach service between Levis and Morisset over the Levis—Jackman highway and a motor coach service will also be inaugurated between Sherbrooke and Newport, Vt.

The board of directors was re-elected as follows:

Grant Hall, Montreal, president; J. H. Walsh, Sherbrooke, vice-president; A. D MacTier, Montreal; J. Leslie, Montreal; Chas. D. Brassey, London, Eng.; Thos. Lindley, London, Eng. The other officers are H. C. Oswald, secretary; G. D. Wadsworth, general manager.

The board of directors of Quebec Central Transportation Co. were also re-elected as follows: Grant Hall, president, Montreal; J. H. Walsh, vice-president, Sherbrooke; A. D. MacTier, Montreal; J. Leslie, Montreal; and G. D. Wadsworth, general manager, Sherbrooke. H. C. Oswald is secretary, and A. H. Bradford, treasurer, of the transportation company.

Beauharnois Problems Given Thorough Airing At Montreal Meetings

Necessity of Government Assistance Stressed by All

NEEDS ARE OUTLINED

Nearly $32,000,000 Required Before Project is Placed on Finished Basis in 1937

From Our Own Correspondent

MONTREAL.—Any doubt that may have existed in the minds of the bond and stock holders of Beauharnois Power Corp. as to the current position of the enterprise was dispelled by material supplied at the annual meeting and the meeting of the bondholders.

Outstanding was the fact that if the enterprise is to be carried to a successful conclusion and contracts for power delivery met within a stipulated period, further substantial amounts must be arranged.

With financial markets unable to absorb any large bond offering at the moment, the enterprise must turn to the Dominion Government for assistance. Ottawa has intimated that it desires the collateral trust bondholders to take the necessary steps to form a representative committee before it can act to facilitate additional financing.

Form New Committee

After a lengthy talk a new committee of the bondholders was nominated. The new members of this body are: L. Moraud, K.C., Quebec; G. M. Todd, Montreal, representing Iselin & Co.; Gordon W. Scott, of P. S. Ross Ross & Sons, Montreal; Hon. S. C. Newburn, Hamilton, vice-president of the bank of Montreal; R. H. Collis, London, England, of Kitcat and Aitkin, bankers; Norman J. Dawes, Montreal, chairman of the temporary bondholders' protective committee; M. S. Kilpatrick, London, England, of Govett & Sons, bankers; T. A. Russell, Toronto, president of Massey-Harris Co., G. E. Long, K.C., of Toronto; J. H. Fortier, of Quebec; Mark Irish, K.C., of Toronto; and James Richardson, of Winnipeg.

Outlines Financial Position

In addressing the bondholders, Norman J. Dawes, chairman of the protective committee, outlined the financial position of the company as at April 30, and its future requirements as follows:

Bank advances to date (partially guaranteed by Dom. Govt.) ..	$14,686,000
Cash required to meet current liabs. and to carry on to end of 1932	7,640,000
Subsequent to 1932 requirements to be as follows, after crediting operating income:	
1933	2,282,000
1934	2,369,000
1935	3,938,000
1936	1,313,000
It is estimated that in 1937 the net operating income would cover estimated cost of construction in that year, and leave a surplus of	624,000
And in 1938 a surplus of	2,000,000

The above figures include interest at 6 per cent on advances, but do not include any interest on the collateral trust bonds of the corporation.

Annual Meeting Report

At the annual meeting of the company, A. F. White, vice-president, had the following to say before moving adoption of the report:

"Firstly, I should perhaps mention that as a result of the government enquiry into the affairs of the company the resignations of the board have been made available as requested, and that in the interval and pending further developments your board has been carrying on to deal with only routine matters.

"As you are all aware financing difficulties have been very acute, particularly in view of the absolute necessity of continuing construction work to complete the first installation within the stipulated time for delivery of power by October 1 next.

The temporary borrowings now amount to	$15,991,000
"For balance of this year there is needed approx. .	$ 6,500,000
"The further requirements for the period of 1933-37 inclusive to meet contract obligations, including interest on temporary loans (but not on the outstanding collateral trust bonds) amount to approx.	$ 9,500,000
"This makes a grand total of	$32,000,000

"Realizing that financial markets since the first of the year have grown rather worse than better, the government has been good enough to recognize the situation by facilitating the advance of the necessary monies to enable satisfactory progress to continue. The government has, however, as you know intimated that it desires the collateral trust bondholders to take the necessary action to form a committee to represent them and to that end a meeting of these bondholders is taking place in Montreal tomorrow.

"While the members of the board have given much thought to the future of the enterprise they recognize that any plan of re-organization is dependent upon further government assistance and must therefore await developments following the appointment of the bondholders' committee.

"Meantime, every effort has been made to evolve a plan to give fullest protection to bondholders and shareholders, but, to date, no workable scheme acceptable to all interests, has been presented."

Issue Official Report

The report of the vice-president, Arthur F. White, follows:

"The proceeds of the issue of the $30,000,000 Beauharnois Power Corporation Limited 6 per cent collateral trust bonds, were exhausted in January, 1931, with the exception of the sum of $1,800,000, being the balance of the $3,600,000 deposited in escrow for the purpose of meeting the interest upon these bonds for a period of two years. This balance was used in making the interest payments which fell due on April 1 and Oct. 1, 1931.

"Construction work has since been financed by bank borrowings effected by Beauharnois Light, Heat & Power Company, which at March 31 last amounted to $13,896,000, such borrowings being secured by first mortgage bonds of Beauharnois Light, Heat and Power Company with ample margin and, to the extent that such advances were made subsequent to August, 1931, under the protection of the Dominion Government.

Default Bond Interest

"The corporation found it necessary to default in the payment of the interest of the collateral trust bonds which fell due on April 1 last. This default was due to the exhaustion on Oct. 1, 1931, of the amount set aside in the escrow fund for interest purposes; to the inability of Beauharnois Light, Heat and Power Company to make an issue of first mortgage bonds as originally contemplated; and to the impossibility of borrowing from any source except for strictly construction purposes.

"The construction work to date has been carried on within the estimates of the corporation's engineers both as to time and amount, with the exception of the extra expenditure of $200,000 for a temporary control dam below the canal entrance which has been required by the government engineers. If the necessary funds are forthcoming for the completion of the work there should be no difficulty in making delivery of the power called for under existing contracts.

"To correct possible misunderstandings regarding the disposition of the proceeds received from the sale of the $30,000,000 Beauharnois Power Corporation Limited 6 per cent collateral trust bonds the directors have had the auditors of the corporation prepare a memorandum showing the manner in which these funds were expended. This memorandum is presented herewith."

Latest Balance Sheet

The consolidated balance sheet of the corporation and its subsidiaries presented at the meeting, follows:

ASSETS
March 31, 1932

Properties, etc.	$50,402,814
Securities on deposit	1,011,250
Investments	250,420
Cash, receivables, etc.	218,912
Def. debit	150,000
Total	$52,033,396

LIABILITIES

Bonds	$30,000,000
Common stock	1,800,000
*Bank loans	13,896,000
Accounts payable	2,579,818
Accrued interest	900,000
†Sundry	2,857,577
Total	$52,033,396

*Secured by deposit of $24,544,500 first mortgage bonds of Beauharnois Light, Heat and Power Co.

†Construction and contract commitments not yet due.

Auditors Prepare Report

The memorandum from the auditors, Messrs. P. S. Ross and Sons, in respect to the distribution of the proceeds from the sale of bonds, addressed to the directors of the Beauharnois Power Corporation, Limited, follows:

"At the request of the secretary of your corporation, we have prepared, from the corporation records, this memorandum showing the accounting of the proceeds of the $30,000,000 Beauharnois Power Corporation, Limited, 30-year 6 per cent collateral trust sinking fund bonds dated Oct. 1, 1929, due Oct. 1, 1959. These collateral trust bonds were sold to the underwriters under agreement dated Oct. 31, 1929, at 90 plus accrued interest.

"In order to present a comprehensive view of the complete accounting, we have used the combined figures shown by the books of Beauharnois Power Syndicate, Beauharnois Light, Heat and Power Company and Beauharnois Construction Company as at Dec. 17, 1929. (date of transfer of assets and undertaking to Beauharnois Power Corporation, Limited), and the figures shown by the consolidated balance sheet of Beauharnois Power Corporation, Limited, as at Jan. 31, 1931, immediately prior to the advancing of funds by banks against the collateral security of the first mortgage bonds of Beauharnois Light, Heat and Power Company and after the proceeds of the collateral trust sinking fund bonds had (with the exception of cash funds, $149,230, shown hereafter) been exhausted.

Details of Finances

"The total combined assets of Beauharnois Power Syndicate, Beauharnois Light, Heat and Power Company and Beauharnois Construction Company at Dec. 17, 1929, amounted to $10,010,077, the distribution of which is, for the purpose of this accounting, included with the expenditure subsequently made by Beauharnois Power Corporation, Limited, up to Jan. 31, 1931. Outstanding liabilities of $7,510,677 and the capital of the syndicate amounting to $2,500,000, represent the total assets amounting to $10,010,677.

"Under the terms of agreement dated Oct. 31, 1929, Beauharnois Power Corporation, Limited, sold $30,000,000 principal amount 6 per cent collateral trust sinking fund bonds and 770,000 Class "A" shares no par value common stock for the sum of $27,000,000. The sum of $4,750,000 was paid to Beauharnois Power Syndicate under the terms of an agreement dated Dec. 17, 1929, between Beauharnois Power Syndicate and Beauharnois Power Corporation, Limited, as part consideration of the purchase by the corporation of the assets and undertaking of the syndicate, as well as to refund to the syndicate the capital invested by it prior to the organization of Beauharnois Power Corporation, Limited. The balance, amounting to $22,250,000, together with $1,000,000 representing the proceeds of the sale of 1,000,000 Class "A" shares referred to below, was made available for the purpose of the corporation and its subsidiaries; the whole being included in the following memorandum.

"Under the terms of agreement dated Dec. 17, 1929, between Beauharnois Power Syndicate and Beauharnois Power Corporation, Limited, the syndicate subscribed for 1,000,000 shares Class "A" no par value common stock of the Beauharnois Power Corporation, Limited, at a price of $1.00 per share. The sum of $3,750,000 and 1,000,000 Class "A" shares of Beauharnois Power Corporation, Limited, were distributed to the members of Beauharnois Power Syndicate. This distribution was equivalent to $150 in cash and 40 Class "A" shares for each of the 25,000 part interests of the Beauharnois Power Syndicate outstanding at Dec. 17, 1929.

Where the Money Went

The auditors' memorandum shows the distribution of proceeds from sale of $30,000,000 principal amount of three-year 6 per cent collateral trust sinking fund bonds as follows:

Received—		
$30,000,000 at 90		$27,000,000
1,000,000 shs. sold to syndicate		1,000,000
Interest received		176,417
Total		$28,176,417
Accounted for as follows—		
Construction	$10,948,695	
Rights acq.	3,620,100	
Real est., etc.	5,195,498	
Misc. fees	637,788	
Org. exp., etc.	62,904	
2-yr. int. dep.	3,600,000	
Less can coupon ...	708,346	
	$2,891,753	
Dep. and inv.	1,360,676	
Sterling In. Cor.	200,000	
Marquette Construction Corp.	120,000	
Advance re National Press Co., Ltd. ...	150,000	
Net paid B. Syn.	2,250,000	
Paid 1st B. Syn.	739,000	
	28,176,417	28,176,417

Duke-Price Co. Face Problem Over Price Bros.

From Our Own Correspondent

MONTREAL.—No statement has been issued as yet by the Duke-Price Power Co., which, under the plan of reorganization for Price Bros. & Co., is asked to accept 15-year 6 per cent income debentures of the latter company in lieu of cash payment on account of power deliveries.

Commencing with January 1, 1927, Duke-Price Power has been supplying Price Bros. & Co. with 100,000 h.p. of electrical energy per annum under contract. This represents about 20 per cent of the company's installed capacity.

Would Affect Position

Elimination of cash income under the Price Bros. contract would seriously affect the position of the Duke Price Power Co. Payments under this contract are estimated at around $1,000,000, which would make it a difficult matter for the company to take care of its depreciation and interest charges.

The income debentures of Price Bros & Co. will have little realizable cash value for some time to come. The company might be able to secure advances on these debentures from the parent organization, Aluminum Co. of Canada, or some of its other affiliated organizations.

Another interesting feature of this situation is that Price Bros. & Co. are understood to have a financial stake in the Duke-Price Power Company.

SAINT JOHN LEADS MARITIME CITIES

New Brunswick City First in Value of Products in 1930

Manufacturing industries in the Maritime Provinces felt the effects of the depression in 1930 to some extent but activity was only slightly reduced, total output of manufactured products being valued at $153,526,149, a decrease of about 10 per cent from the previous year, according to statistics issued by the Dominion Bureau of Statistics. Declines in prices of raw materials and consequent reduction in value of products was responsible for a large part of that decrease.

Figures for 1930 were compiled from reports of 2,493 firms with 41,546 employees as compared with 2,331 firms with 41,616 employees reporting in 1929. Sawmills employ more persons than any individual group, 832 establishments having 7,516 employees followed by 485 fish packing and curing firms with 6,995 employees. Capital invested in all industries was increased from the previous year by over $20,000,000 to $277,724,651.

Drop 10 Per Cent

Nova Scotia leads in value of products with $85,802,921 in 1930 followed by New Brunswick with $63,468,262 and Prince Edward Island with $4,254,966. These figures are all less than for the previous year, the percentage drop being approximately 10 per cent in each case.

From the standpoint of value of production the pulp and paper industry leads with production of $17,508,068, followed by lumbering with $11,932,840, iron and steel with $11,814,234 and fishing with $11,122,258. The main portion of the first two items is produced in New Brunswick, all the iron and steel in Nova Scotia and more than 70 per cent of the fishing in Nova Scotia.

Saint John leads all other cities in volume of production and number of establishments, while Halifax is second in production and number of establishments but leads in total employees and salaries and wages paid. Statistics for the ten leading cities in the Maritimes for 1930 follow:

	Firms	Employees	Wages $	Products $
Saint John	126	3,518	3,606,363	19,883,665
Halifax ..	100	3,986	4,568,220	16,067,662
Dartmouth	14	1,039	1,452,438	15,397,621
Sydney ...	31	2,238	2,729,247	14,507,166
Moncton ..	42	2,332	2,813,500	7,897,453
Trenton ..	3	947	1,186,825	6,789,798
Liverpool .	11	707	1,074,553	5,027,063
Edmonston	10	588	652,973	4,647,405
Truro	29	966	751,770	3,505,910
St. Stephen	18	576	505,187	2,686,641

Survey B. C. Fishing Industry

The fishing industry in British Columbia for 1931 reports as follows: 35 canneries packed 685,104 cases of salmon; government and canners spent $97,000 in advertising, the expenses being evenly divided; halibut production (second to salmon in importance) amounted to 180,005 cwt. as compared with 254,796 in 1931; herring dry salt exports totalled 788,227 cwt. while the take of fur seals totalled 1,463.

Furniture Industry in Canada

Furniture manufactured in Canada in 1930 was valued at $36,866,195, according to a report of the Dominion Bureau of Statistics. There are 366 establishments in the Dominion, listed in the furniture industry, of which 213 are in Ontario, 71 in Quebec, 35 in British Columbia, 24 in Manitoba and the remainder in the other provinces. About 12,000 persons are employed in the industry.

INTERNAT. HYDRO SYSTEM PASSES DIVIDEND ON "A"

Earnings Sufficient; Board Decides to Conserve Cash Position

From Our Own Correspondent

MONTREAL.—Deferment of the regular dividend on the Class "A" stock of International Hydro-Electric System was decided upon at the annual meeting of the company.

This action was decided upon by the directors in view of the unsettled conditions, the board feeling that in the best interests of the system and all its shareholders, the amount available should be transferred into a separate fund for contingencies even though earnings were sufficient to make the payment.

Earnings Turn Downward

At the meeting, Archibald R. Graustein, president, stated that for the first five months of this year preliminary figures indicate that earnings, after all charges, but before dividends on Class "A" stock were about $1,300,000, an increase over the corresponding period of 1931 equivalent to approximately 35 cents a share. Since the end of the first quarter, however, business has been declining.

New England Power Association's earnings for the early months of this year were exceptionally good due to water conditions, the report said, but recently there has been less advantage in this respect. Earnings of the association for the first quarter of 1932 after preferred dividends and depreciation, were $911,000 against $785,000 for the corresponding period in 1931, but earnings for April this year were only $196,000 as compared with $286,000 in April a year ago.

The report noted earnings of Canadian Hydro-Electric Corp. are showing improvement over 1931. Most of the earnings of this subsidiary are derived from sales of power under contract, and they have not, therefore, reflected the depression to the same extent as earnings of other units of International Hydro-Electric System.

N. B. POWER BOARD EXPANDS SYSTEM DURING PAST YEAR

Commission Extends Lines —Revenue Records Increase

From Our Own Correspondent

MONTREAL.—Report of the New Brunswick Electric Power Commission for the fiscal year ended October 31, 1931, reveals a gain in revenue, number of customers served, and a further expansion in the distribution system. A feature of the report is reference to the opening of the Commission's new steam electric plant at Grand Lake, which was placed in operation on September 1, 1931. The new plant supplied 609,440 kw.h. for Fredericton and 263,600 kw.h. to Marysville up to October 31, 1931.

At the end of the fiscal year, the Commission was distributing directly to 4,273 customers, a gain of 553 for the year. In addition the Commission supplied power distribution by other agencies to 18,011 customers in St. John, Sussex, Moncton, Newcastle, Fredericton and Marysville. There are now 22,284 meters connected to the Commissions' sources of power or 54 per cent of all meters in the Province.

Owing to adverse water conditions, output from the Musquash hydro plant was below average. Total power sales last year were 28,676,300 kw.h., an increase of 600,000 kw.h. over the previous year. Of total production, 16,739,200 kw.h. were produced at the company's own plant at Musquash, while the balance was purchased from New Brunswick Power Co.

During the year, 82 miles of rural distribution lines were added to the Southern system, making a total of 482 miles of such lines in addition to 235 miles of high voltage transmission lines. Total plant investment stands at $6,005,378, representing an increase for the year of $1,740,852. This reflects construction of the new power plant, transmission lines to Fredericton and Marysville and to Moncton, together with rural extensions.

Operations of the Commission are divided into three systems, the Southern, Northern and Port Elgin. Under agreement with the Eastern Electric and Development Co. the Commission continued to take power from Mount Whatley for supplying to the Port Elgin district and to Cape Tormentine, which latter extension was completed during the year.

The financial statement for the 12 months ended October 31, 1931, shows gross revenue at $548,094 compared with $512,903 in the previous year. After providing for all expenses, sinking fund and reserve, the Commission reported an aggregate deficit of $1,461. In such sections where operating results warranted, reductions in rates were made.

MONTREAL DOUBLES APRIL COAL IMPORTS

Great Britain Benefits With Larger Shipments of Anthracite

April shipments of anthracite from Britain to Montreal were more than double the amount shipped in the same month of last year and in addition, some 17,965 tons of bituminous coal arrived in Montreal from Great Britain as against none in April, 1931. Anthracite shipments totalled 64,262 tons as compared with 28,723 tons in April a year ago, an increase of 35,530 tons.

In addition to Great Britain, hard coal is shipped into Montreal from Germany and soft coal from the United States, but most of the traffic comes from the Mother Country. Prior to the embargo, raised in 1930, Russia shipped a considerable quantity of coal to Montreal.

Of the total hard coal landed in Montreal in 1931, Great Britain supplied 688,833 tons and Germany 54,642 tons. Imports in 1930 are the highest on record, the total being 954,311 tons of which Great Britain supplied 740,803 tons and Russia 200,651 tons.

Nearly $32,000,000 Needed By Beauharnois Power

From Our Own Correspondent

MONTREAL.—Amount of present advances to Beauharnois Power Corp. total $15,991,500, but before the plant is finally brought to completion in 1937, at least double that amount will be required, according to an estimate of cash requirement, submitted to the bondholders by A. F. White, vice-president of the company. The manner in which this figure is arrived at is clearly set forth in the following tabulation showing the total expenditures, revenue and the balance to be covered by advances at the end of each year up to 1937.

	Balance 1932 $	Year 1933 $	Year 1934 $	Year 1935 $	Year 1936 $	Year 1937 $
Est. cost of construction, etc.	5,736,000	1,560,000	2,426,000	4,935,000	3,305,000	2,220,000
Int. on advances at 6% not including int. on collateral trust bonds..	830,000	1,420,000	1,560,000	1,750,000	1,910,000	1,930,000
Total requirements	6,566,000	2,980,000	3,986,000	6,685,000	5,215,000	4,150,000
Net rev. available for int. and const. cost	140,000	692,812	1,606,562	2,736,562	3,891,062	4,764,812
Bal. to be covered by advances	6,426,000	2,287,188	2,397,438	3,948,438	1,323,938	......
Surplus over cash requirements	......	......	......	......	......	614,812
Est. total advances outstanding at end of year	22,417,500	24,700,000	27,100,000	31,050,000	32,375,000	31,750,000

Amount of present advances, $15,991,500.

Edmonton Collections Better

Edmonton, Alta., tax collections in the five months ended May 31, 1932, are reported at $562,615 compared with $361,930 in the corresponding period of 1931. Increase is due in part to placing the due date for the first installment of land taxes two weeks ahead of 1931. Current land taxes collected amounted to $262,093 as against $80,036 in 1931 while tax arrears paid totalled $253,842 against $212,999 in 1931.

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OFFER EQUITIES TO BONDHOLDERS CANADA BISCUIT

Reorganization Preserves Bonds and Raises New Capital

STOCKS SLASHED

Bondholders Asked to Waive Interest in Return for 20% Equity in Property

From Our Own Correspondent

MONTREAL.—Plan of reorganization of Canada Biscuit Co. appears to provide, as far as possible, for a maintenance of the bondholders' position. An issue of $300,000 of 6 per cent prior lien bonds is called for, but the first mortgage bond issue is unchanged. Preferred and common stock is cut drastically under the proposed plan.

Bondholders do not get off without some sacrifices though the plan provides for compensation in the form of a 20 per cent equity in the property. This is what bondholders are asked to do at a meeting to be held July 5: agree to an issue of $300,000 6 per cent lien bonds; forego interest due May 1, 1932; November 1, 1932, and May 1, 1933; waive right of foreclosure if interest due November 1, 1933, is not paid; interest, if not paid, to be added to principal; accept principal and interest in Canadian funds; and postpone sinking fund until May 1, 1935, and then on a specified basis.

Given Common Stock

In return for these concessions first mortgage bondholders will receive 20 per cent of the new capital stock to be outstanding or 10 shares of common for each $1,000 of bonds. As this issue is limited to 89,000 shares ranking immediately after the first mortgage bonds and replacing $3,519,000 of old 7 per cent preferred and 90,780 shares of old common stock, the protective committee, R. D. Bell, R. W. Steele and A. P. S. Glassco, feels that compensation given to bondholders may become a valuable consideration.

The old capitalization of Canada Biscuit Co. together with the proposed plan follows:

Present Capitalization	
6½% first mtge. bonds	$1,790,500
7% cum. pref. stock	$3,519,000
(Arrears April 1, 1932—42%)	
No par common	90,780 shs.
Proposed Capitalization	
6% prior lien bonds	$ 300,000
6½% first mtge. bonds	$1,790,500
Capital stock	89,000 shs.

Working Capital Raised

The six per cent prior lien bond to the amount of $300,000 has been underwritten at par, funds to be available to the company immediately upon approval of the plan by security holders. It is provided that in the event of default in payment of any interest or sinking fund payment due the prior lien bonds, their security will not become enforcible until 18 months have lapsed.

The new management is represented by J. W. Ross, who, it is pointed out, has had a successful experience as general manager of the Viau Biscuit Co.

In a letter to bondholders, the Protective Committee gives a picture of the company's position and the occurrences which have led to formation of the present plan of re-organization. The committee's investigation of the affairs of Canada Biscuit Co. disclosed that, while the company's sales had been maintained at a substantial figure, the management had been unable to avoid substantial annual losses. As a result, working capital which at the time of the issuance of the bonds was over $1,500,000 had, according to the balance sheet at December 31, 1931, shrunk to about $500,000.

Preserve Known Brands

As the company's brands and trademarks are well and favorably known, the letter continues, it seemed reasonable to suppose that, given skilful management and more adequate working capital, under more normal business conditions, operations should be profitable. On the other hand, it was clearly evident that liquidation of the properties by the bondholders at the present time would not be a profitable proceeding for them. Negotiations were, therefore, entered into for the purpose of securing first, management that promised to be adequate, and second, an amount of additional working capital.

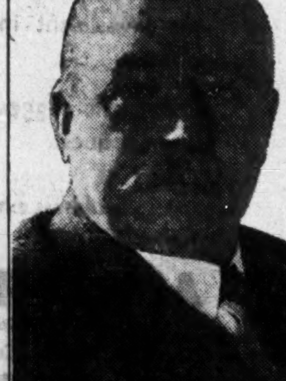
At the same time it was arranged with the interest holding the voting control of the company that a reorganization be effected by agreement in order to obviate the alternative of foreclosure by the bondholders with its undesirable features.

In conclusion, the letter states that the committee, no member of which has any interest in the situation except through his connection with the first mortgage bonds, believes that the proposed plan represents the best arrangement that could be made under present conditions, for protection of the bondholders.

Existing preferred and common shares are to be cancelled and replaced by an issue of 89,000 shares of no par common to be distributed as follows:

	Shares
To prior lien bonds	59,365
To first mtge. bonds	17,905
To shareholders	11,730
	89,000

Sweeps Newfoundland



HON. F. C. ALDERDICE
Leader of the United Newfoundland party which was swept into power by a heavy majority at the general election of June 11. He is managing director of Colonial Cordage Co.

FRASER'S DEFICIT GAINS $2,275,803 DURING PAST YEAR

Larger Operating Revenue But Charges Are in Majority

From Our Own Correspondent

MONTREAL.—Though earnings of Fraser Cos. for 1931, before interest, depreciation and depletion, amounted to $1,382,341, compared with $278,289 during the previous year, the deficit on profit and loss account, after the usual charges, amounted to $1,260,109. After a further allowance of $925,694 for write down of inventories, the previous deficit on profit and loss account was increased from $3,281,570 to $5,467,373.

Operations of the companies were far from satisfactory last year, the improved earnings being due to lower manufacturing costs and economies in operation. During the year sale prices of sulphite bond and waxing papers, paper board and high grade bleached sulphite showed a further decline. Volume fell below the previous year except in the Athol bleached sulphite mill which completed its first full year of operation at approximately 85 per cent of capacity. The Chatham mill was only operated at partial capacity.

In view of the unsatisfactory prices obtaining for lumber, the management decided prior to the year's commencement that operations should be cut to a minimum and inventories liquidated as soon as possible. As a result inventories at the end of 1931 were approximately 55 per cent of those on hand at the end of 1930.

The consolidated income account for 1931 shows, after making provision for the decline in inventories, depreciation and depletion, the balance available was insufficient to cover interest on the first mortgage bonds.

Particulars of the income account for the past two years follow:

	1930 $	1931 $
Net earnings	1,278,289	1,382,341
Less: Inventory w.o.	1,938,215	1,188,781
Depreciation	628,534	560,483
Depletion	193,857	44,825
Bond int.	612,283	647,084
Note int.	210,000	198,450
Other int.	524,870	508,520
Debent. int.	390,000	†420,000
Balance	*4,219,470	*2,185,803
Br't. forward	937,900	*3,281,570
Carried forward	*3,281,570	*5,467,373

*Deficit.
†Including accrued note interest unpaid.

Examination of the balance sheet clearly shows the necessity of the present proposed reorganization. Assets at the end of 1931 were lower by some $1,600,000 at $50,910,672.

Current assets are placed on the books at $5,648,893, as against $9,804,681 a year ago. The drop was due to cutting inventories from $8,030,339 to $4,714,961.

Current liabilities were reduced from $7,312,278 to $4,279,787. The principal change in this category was the cutting of bank loans from $4,720,000, to $2,849,000. Accrued debenture and note interest is not shown among current liabilities.

The sore spot in the balance sheet is $7,620,000 of short-term indebtedness due on July 1 next. This sum covers $4,000,000 of notes, $3,090,000 of three-year notes and $530,000 of three-year notes.

The first mortgages outstanding remained unchanged at $8,202,000, the company having failed to make sinking fund payment due on December 1 last.

There is no change in outstanding debentures, which total $6,000,000.

Of the Restigouche Co. bonds amount outstanding in the hands of the public totals $1,846,000.

Balance of the items among liabilities show little or no change from those previously reported.

ONTARIO FAILS TO FLOAT LOAN IN LONDON MART

Expect Domestic Issue Following Financing by Montreal

HISTORY REPEATED

Investment Demand Continues Light—Business Largely on Exchange Basis—New Money Scarce

There has been little if any improvement in Canadian demand for high grade bonds in recent weeks and business has largely been on an exchange basis with little new money appearing for investment. The reception attending the offering of the new Montreal issue of $9,415,500 6's, made on June 14 on a 6 per cent yield basis, could hardly be called enthusiastic although the bonds were priced somewhat below the current market. Institutional buying was light and it may take some time to place the new issue with private investors.

The Manitoba and New Brunswick issues, offered May 4 and May 17 respectively, are still moving out slowly with slightly under $2,000,000 in each case yet to be sold of original issues of $5,000,000.

Ontario is the largest prospective provincial borrower in sight and financing by this province may largely depend upon the success of the Montreal issue. The needs of the province are substantial but the size of the issue will depend upon market conditions and the urgency with which funds are required by the province. Attempts by the province to sell bonds in the London market in recent weeks are understood to have been unsuccessful and negotiations have been stopped. Had the province been able to sell a £3,000,000 sterling issue in London on a 4.8 per cent basis a domestic loan of similar size might have followed.

History Repeats

History appears to be repeating itself since in January, 1932, New Brunswick, Montreal and Ontario entered the market in that order and the New Brunswick issue sold slowly on a 5.75 per cent basis and the Montreal's slowly on a 6 per cent basis. The $25,000,000 Ontario issue, however, sold quickly on a 5.90 and 6 per cent basis. In May New Brunswick again came into the domestic market with a $5,000,000 issue which was offered to yield 6 per cent and this has sold slowly. The new Montreal issue has not sold as fast as was expected and to this extent there has been repetition of January conditions. Dealers do not anticipate as ready a sale for the Ontario bonds, when they appear, as was the case in January.

Loans Increase

Municipal financing remains at a low ebb with prospects that this condition will continue for some months. During the summer there is usually a minimum of public financing and this year would appear to be no exception to the rule. In view of the slack demand for high-grade bonds from investors municipalities are at a disadvantage in selling their securities and bank loans continue to increase.

The April statement of the chartered banks showed loans to municipalities at $154,014,947 compared with $149,148,494 in March, with an increase of $30,000,000 over the total for April, 1931. While tax collections undoubtedly increased during May and the bank loans for that month may be reduced, the trend is definitely upward and it is not expected to be reduced until opportunities are offered for the funding of current loans.

CONTROL BOARDS START SURVEYS

Submit Questionnaire to Defaulting Ontario Municipalities

Defaulting municipalities in the border cities group are preparing detailed statements of their financial position for submission to their respective boards of supervisors of which Thomas A. Bradshaw is chairman. The municipalities have been asked to supply information outlined in a questionnaire containing 33 questions dealing with different aspects of civic government and finance.

The supervisors desire names of all municipal employees and representatives, comparative statements of revenues and expenditures; a statement of debenture debt and separate statement of sinking fund. Details of tax rates, assessment tax levies and tax arrears in recent years as well as results of tax sales are also required.

The members of the six boards of supervisors met for the first time on June 10 and work is expected to start within the next few days. Municipal supervisors urged early action with a view to solution of local difficulties as soon as possible. Appointment of a general secretary for all of the boards who would also act as an auditor for figures to be submitted is probable.

Abitibi and Ontario Power Bondholders in Same Boat

Both Depend on Completion of Canyon Project by Oct. 1 for Service on Bonds — Protective Committee Being Formed—Various Plans Mooted

Abitibi Power & Paper Co. bonds and Ontario Power Service bonds have fallen back to old levels after the spurt made last week. Ontario Power Service bonds are quoted "39½ bid, 40½ asked" as compared with "50 bid, 53 asked" a week ago; Abitibi bonds which went up to "27 bid" on reports that Ontario Power Service had had $5,000,000 made available by New York interests for completing the Abitibi canyon project, are now selling at "21 bid, 22½ asked."

Abitibi Power & Paper Co. has until August 1 before its bonds go into complete default whereas Ontario Power Service bond interest falls due on July 1. Whether or not payment will occur on that date will depend on what arrangements the company has been able to make for completion of the power project at Abitibi canyon. The development work has proceeded so far that the company was able to divert water from the tunnels constructed to take the river water past the dam and to allow the water pressure to go against the dam. The dam is not wholly completed and when the new structure has been fully tested in this way the water will again be diverted through the tunnels until construction is completed.

Forming Protective Committee

An Abitibi Power bondholders protective committee is in process of formation to act if default on interest continues past the 60 day period of grace.

Those close to the company still appear hopeful that money will be forthcoming from the Ontario Power Service project. Some holders of the bonds have been turning back the files to study the situation some 15 or 16 years ago when Spanish River, afterwards acquired by Abitibi Power & Paper Co., defaulted on bond interest and gave bonds and notes to cover. That company eventually made a triumphant recovery as shortage of paper and increasing demand sent prices sky-high.

No Bondholders Appeal Yet

Some urge that Abitibi Power, a much sounder company, could give bondholders short-term notes which would free it from interest until it can complete Ontario Power Service which will carry itself after October if completed, and that Ontario Power Service bondholders, by extending the time for interest payments, would also aid the company to complete the project by October. That completion is essential to the interests of both classes of bondholders. However, The Financial Post is informed that so far no consideration has been given to any plan for appealing to bondholders for relief. If completion can be financed outside of the company, it will be.

Cowboy "Will" Mocks Bankers—What a Fuss

Will Rogers, cowboy comedian, helped fill his column in the New York Times the other day with a paragraph directed to the attention of the American Bankers' Institute then in conference in Los Angeles. Mr. Rogers said: "The Bankers' Institute are holding a big conference out here. Every one of 'em carry American Express money orders. There is not a cheque book in a carload. I hope that they go back by Canada and see how it is that Canada has only had one failure in ten years. The idea is evidently not copyrighted."

This statement by the comedian roused the ire of the American Banker, New York, champion of the unit banking system. In fact, it roused them so much that they despatched a long telegram to Mr. Rogers in which they attempted to combine fact and fiction, seriousness and facetiousness. The text of the telegram makes interesting and amusing reading.

"If you think so much of the Canadian banking system, why did you not put your money in them years ago? It would be worth 85 cents on the dollar today. Canada had 18 banks in 1922, now there are 11. No failures there; only mergers, into bigger and bigger banks, and when the pyramid got too big, they went off the gold standard and every day the little pieces of paper they call money are worth a different price. Although some $5,000,000,000 has been tied up by bank closings in the United States in 10 years past, depositors recover 80 per cent or more. American losses are, therefore, about a billion dollars, or less than 2 per cent of American deposits. You are a very funny man. You prefer 15 per cent Canadian loss system to 2 per cent losses of gross deposits under the American system. Yours for better and funnier blurbs."

American Banker.

Good Reception Accorded Canadian Tobacco in U.K.

"Almost every large British manufacturer is now using flue-cured bright leaf cigarette tobacco produced in Norfolk county and some of them only began to use it this year," said Prof. Archie Leitch, president of the Windham Tobacco Plantations Ltd., on his return from a trip to Great Britain in company with E. C. Scythes, of Toronto, president of Vittoria Tobacco Plantations, Ltd.

The main purpose of their visit was to gather first hand knowledge of the reception accorded the five million pounds of tobacco shipped from Norfolk county last fall to the British Tobacco manufacturers and to feel out the market for the current year's crop.

Opinion in Great Britain is favorable toward the Canadian product as it has the characteristics of the United States Virginia tobacco and is the only tobacco produced within the Empire of this nature, says Prof. Leitch. Tobacco from Africa has an unusual flavor and can only be used sparingly in blending.

While Canada's exports of tobacco to Great Britain are comparatively small compared with those of the United States, exports have been steadily increasing over the past few years, jumping from 2,809,766 pounds in 1930 to 6,863,315 in 1932.

Must Cut B.C. Expenses Finance Minister Says

From Our Own Correspondent

VANCOUVER.—One million dollars will have to be cut off British Columbia's governmental expenditures, in the opinion of Hon. J. W. Jones, minister of finance.

This reduction has been necessitated largely by the decline in tax revenue from depressed industries and the inability of the government to enforce from the beginning of the year various imposts that had been provided for in the budget, such as the fuel oil tax which was calculated to bring in $360,000 for the full year and which is only now being applied.

Mr. Jones obtained legislative authority for the establishment of treasury control of expenditures and this will commence to function this month. Under this plan a board of ministers and financial officials will have power to restrict expenditures in any or all departments regardless of whether or not the appropriations have been made by the legislature.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Brazeau Collieries	*7%	15-yr.	July 1	...
Imperial Realty ..	*6%	1945	July 1	103

*Called in part.

Bond Tenders

June 18, School Commission of Saint Leon—$4,500, 6 per cent bonds, dated May 1, 1932; payable semi-annually. Clovis Lemay, sec.-treas.

12 o'clock noon, June 20, County of Dufferin—$65,000, 6 per cent debentures, due 1932-1952. James Henderson, treas., Box 210. Orangeville.

LARGE INVESTORS TO MEET IN LONDON

Dunning, Weir, McGregor Will Address Dominion Mortgage Ass'n

Representing the largest Canadian institutional investors, members of the Dominion Mortgage & Investments Association and the Land Mortgage Companies' Association of Ontario will hold their annual conventions at the offices of the London Life Insurance Co., in London, Ont. on June 20 and 21. Principal speakers will include C. M. Bowman, president of Dominion Mortgage & Investments Association, Hon. Charles A. Dunning, Hon. Robert Weir, Dominion minister of agriculture, and W. L. McGregor, president of the Canadian Chamber of Commerce.

The morning of June 20 will be devoted to the 16th annual meeting of the Dominion Mortgage & Investments Association and the 45th annual meeting of the Land Mortgage Companies' Association of Ontario. The afternoon programme will be announced at the morning session. Tuesday morning will be devoted to reports of committees, reports of provincial associations and the election of officers.

Ford of Canada Deal Confirmed By President

Wallace R. Campbell, president, Ford Motor Co. of Canada, who has just returned from England, reports that English Ford Company will be supplied with $3,000,000 of V-8 Ford cars from the East Windsor plant in the next 12 months and that 1,500 to 1,800 cars must be delivered under the contract in July.

As already indicated in The Financial Post the Canadian company under the new arrangement will distribute the new 8-horsepower "baby" and the V-4 English cars in its export markets, New Zealand, Australia, South Africa, Malay States and other British territories while the English company will sell the V-8 in Great Britain, Spain, Sweden and other European and Asiatic countries for which the English Ford Company holds selling rights. This order will put the Ford factories in East Windsor and Toronto on full payroll for a time.

City of Montreal Bonds Offered by Large Syndicate

From Our Own Correspondent

MONTREAL—Bank of Montreal and Banque Canadienne Nationale are heading a large syndicate offering $9,415,500 of City of Montreal 6 per cent non-callable bonds; $3,949,500 mature in 8 years and $5,466,000 in 12 years, at par and accrued interest.

These bonds are direct obligations of the City of Montreal and are issued for refunding maturing obligations, defraying the cost of construction of important public works, part of which is for the relief of unemployment and for other purposes of the city.

Can. Gen. Investment Again Cuts Dividend

Canadian General Investments Ltd. will pay a dividend of 10 cents a share on July 2 to shareholders of record June 15. This is the third reduction in dividend rate in the past year under the stated policy of keeping dividend payments in line with income of the trust. The last two quarterly payments were at the rate of 15 cents per share while 20 cents was paid Oct. 1, 1931, and 25 cents was paid July 1. 1931, and previously.

Third Canadian General Investment Trust Ltd. common shares of $5 par value will be reduced to no par value following approval given by shareholders. Entire interest in this trust is in Great Britain. No dividends have been paid on the shares since Oct. 1, 1931.

F. N. Burt Cuts Dividend

F. N. Burt Co. dividend on the common stock has been reduced to $2.40 a year with the declaration of a quarterly dividend of 60 cents per share payable July 2 to shareholders of record June 15. The common stock has been on a $3 a year basis since 1926, with the exception of 1929, when a bonus of 50 cents per share was paid.

Riverside Silk Dividend Cut

Riverside Silk Mills Ltd., will pay a quarterly dividend of 25 cents per class A share on July 2 to shareholders of record June 15. This reduces the annual dividend rate to $1 per share from the $2 per share rate paid since July, 1928.

Moore Corp. Passes Common

Common dividend of Moore Corp., due July 1, has been omitted but regular dividends have been declared on the two classes of preferred stock. Since April 1, 1929, the common stock has received dividends at the annual rate of $1 per share.

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I gave just One good reason

"THE Board of Directors asked me to explain the recommendation of an expenditure for certain new equipment in our sales, administrative, and production departments. I gave them just one good reason . . . *the investment would help us make more money and save more money!* My recommendation was approved."

Many courageous, open minded major executives in various lines of business are today using initiative which is being commended by company owners and Directors. They are installing modern automatic equipment for printing, duplicating and writing the great number of forms and records used in business . . . and for increasing sales by direct-to-buyer selling methods.

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Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year End	Net Income 1931 $	Net Income 1930 $	Common earnings 1931 $	Common earnings 1930 $	Curr. divd. $	Balance car. fwd. 1931 $	Balance car. fwd. 1930 $	Mkt.	Mkt. times earn.	Yield %
Can. Wineries	Apr. 30	20,920	88,150	0.21	0.88	0.20	110,908	128,582	1.	4.8	20
Muirhead's Cafeterias	Feb. 29	*17,591	15,575	*0.15	0.12	0.10	8,446	12,894	1.	6.1	10
Brazilian Traction	Dec. 31	9,389,104	16,205,339	1.41	2.50	**	15,759,744	13,682,553	10.	...	...
Imperial Oil	Dec. 31	18,226,894	19,020,360	0.68	0.72	0.50	108,584,328	108,733,601	8.	11.7	6¼

*Before deduction of w/o on investments.
**Stock dividends paid in lieu of cash.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Montreal	June 14	Bank of Montreal, Banque Canadienne Nationale and Syndicate	6%	1940	$3,949,500	*100	6%
			6%	1944	5,466,000		
Charlottetown	June	Gairdner & Co.	6%	15-yr.	50,000	....	...
Guelph	June	Wood, Gundy & Co.	5½%	10-yr.	145,000	....	...
Moncton, N.B.	June	Sinking Fund	4½%	20-yr.	19,000	....	...
London, Ont.	June	Midland Securities	5½%	1936-41	100,000		*5.9-6.0%
Brantford	June	Dominion Securities, Wood, Gundy & Co.	6%	10-yr. ser.	165,000	....	...
			5%	19-ins.	125,000	....	...
Perth	June	Locally	6%	.....	50,144	....	...

*Offering price.

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TORONTO, JUNE 18, 1932

C. M. A. RESOLUTIONS OF LITTLE AVAIL

IT IS said that the proposed march of 2,000 farmers on Ottawa was inspired by the holding of the Canadian Manufacturers' Association convention in the Capital. The farmers are afraid that the manufacturers got in some pre-conference, high-tariff propaganda with the government while they were in Ottawa. The farmers need not worry. The most important thing that the C. M. A. did in relation to the Imperial Conference was to hold a secret session at which various viewpoints were discussed. Certain resolutions were passed for submission to the government but when they reach the government they will be just a half a dozen more resolutions to be filed and catalogued along with thousands of others received from a vast medley of conflicting interests.

Passing resolutions is one of the innocuous duties of all conventions, but passing resolutions in itself means little. The C. M. A., for instance, passed a resolution protesting against high governmental costs. It is thoroughly proper that the manufacturers should put themselves on record and that their policy in this and other matters should be known to members and public. But the mere passing of the resolution will accomplish nothing. It is at best only another, though welcome voice added to an insistent clamor for tax reduction that has received comparatively scant attention in any event. The manufacturers will have to back up their resolution for tax reduction with consistent pressure upon governments and parliamentarians, with educational work with the general public, with useful and frequent exposures of waste and with suggestions for more economical administration.

Similarly the resolutions passed at the secret session on the Imperial Economic Conference will mean but little. They have not even the merit of informing the general public of where the manufacturers stand on the matter of the Conference. The interests of different manufacturers within the C. M. A. may be opposed to such an extent that very concrete proposals to be made to the conference are difficult to arrive at. But there are many ways in which the C. M. A. could have used its Ottawa meeting for a forceful attempt to win public goodwill for the manufacturers' viewpoint toward Imperial trade development—its possibilities and its limitations. Instead of taking this opportunity, the manufacturers committed the blunder of veiling their action in such secrecy that a plot of some kind was at once suggested, hence deputations of 2,000 farmers and other skilfully publicized campaigns for all-around tariff reduction.

I. B. A. IS PRESENTED GREAT OPPORTUNITY

MEMBERS of the Investment Bankers' Association of Canada will hold their sixteenth annual convention on June 23 and seldom before has there been the need for such strong and courageous leadership. While most of the work of the association is accomplished by committees during the year, the annual convention offers the best facilities for general exchange of ideas and for the initiation of policies to be worked out in detail in the forthcoming year.

There are many problems of the investment banking profession on which the association could well take a definite stand to the mutual advantage of its members and Canadian investors alike. One of the most important is the establishing of a definite scale of commissions on high grade bonds. Under the present system of keen competition there is an extremely small profit in the scale of Dominion, provincial or municipal bonds with the result that in the past many investors have been sold more speculative issues where the margin of profit was higher but the results to the investor far from satisfactory. A fixed scale of commissions, more equitable to the dealer, should serve to eliminate some unsound phases of the business.

This largely is an internal problem, the public feeling only the indirect repercussions. But there are other matters on which the investment bankers should take a determined stand and where the public is directly concerned. Of these, the most pressing is the matter of corporation bond defaults and reorganizations. At the present time, "mortgage" bonds are being robbed of their significance and security while investment bankers occupy the rôles — according to the circumstances—of participants, spectators or mere helpless victims. Investment bankers might well consider the establishment of a central, permanent bondholders' protective committee to watch all reorganization plans and organize disunited minorities.

The work of members of the association is an essential business that is highly specialized and that cannot be done by other agencies including the chartered banks. Canada has a problem in public financing at the present time and in the solution of this problem investment bankers have made, and will make, valuable contributions. In the field of corporation finance the investment banking fraternity also performs essential services which have been more or less obscured by events of the past three years. The need for these services will again arise, however, and action taken by the association at this time may serve to avoid future mistakes and at the same time restore and build up the prestige of its members.

McINTYRE HEARS PLEA OF SHAREHOLDERS

DURING past weeks a shareholders' committee has been active in an effort to commit officials of McIntyre-Porcupine Mines to a higher dividend policy. J. P. Bickell, president, under whose guiding hand the company has shown such steady progress, has not been disposed to give the committee the satisfaction of announcing such a policy, even in face of the threat of the committee to obtain control of the company proxies.

If McIntyre officials have not seen fit to disburse a higher percentage of the company's earnings it is because officials are convinced it is not in the best interests of the company and in this connection it has the precedent of its own success. The question now is: is the time opportune for a change of policy?

McIntyre reached the age of maturity this spring. It celebrated its twenty-first birthday on March 16. It no longer has a pressing need for a financial nursemaid in the form of a large earned surplus. Mr. Bickell, in previous years, promised the shareholders that when the liquid resources of the company were commensurate with the magnitude of its operations, consideration would be given to higher dividends. The financial statement of the company, just released, shows that it has liquid assets of $3,496,740. It has just finished construction of what is regarded as the world's finest gold plant—all paid for out of earnings. It, therefore, becomes evident that the day has arrived when Mr. Bickell can increase the dividend rate and he will probably increase it of his own volition without a battle of proxies at the annual meeting. What the increased rate may be is a matter of conjecture, but inasmuch as net earnings were about $1.92 per share last year it is probable that the new rate will be between $1.50 and $2 per share.

It is not unnatural that Mr. Bickell, who has so long been identified with the company during which time it has prospered, should resent any attempt at coercion, cajollery or coaxing and should like to reserve for himself the opportunity of making an announcement as important as higher dividends.

The underlying motive that prompts investors to speculate in mining enterprises is the hope of dividends. If the dividends paid are not commensurate with the earning power of the company, having regard for adequate working capital, shareholders have a right to be dissatisfied, but what constitutes adequate working capital is a controversial point. Definite knowledge of the company's plans alone makes possible a proper interpretation. If McIntyre's working capital has been higher than some shareholders thought necessary it may be because this company's star has been an ascending one. It has always required more finances. It apparently now has reached its zenith and is so fortified with plant, ore reserves, ore possibilities and capital that the management can and will announce the day has arrived for higher dividends for shareholders.

WRITING UP GOLD

AMONG the many suggestions now made for correcting the world's monetary ills and restoring prosperity is one that the value of gold should be written up.

There is not enough gold in the world; by the law of supply and demand its price should rise; by law the price is fixed at $20.67 per ounce; and therefore since gold cannot rise in price, the price of everything else expressed in terms of gold must fall. Let us, then, allow gold to rise in price, fix its value at say, 25 per cent above the present price. There will follow a general rise in prices; the deflatory effect of gold shortage will be eliminated and the world will be able to return to a workable international gold standard again. This is, in brief, the argument for the plan.

It will help to clarify understanding of the matter if we realize that while the present mint standard price for gold has existed unchanged for over 200 years, there have been many changes down the ages. In pre-King Alfred days in England the British pound was really a pound of silver. From Saxon times to the eighteenth century the British pound was based upon a silver standard but during nearly all that time gold coins were minted and gold eventually supplanted silver as the standard. And both the silver and the gold content in the coinage rose and fell. The mint price for gold in 1343 was about 25 shillings; one hundred years later, about 33 shillings; in 1547, 60 shillings; in 1663, 80 shillings; in 1696, over 105 shillings and finally in 1717, 84 shillings 11.5 pence, where it stands today.

It will be seen that exactly what has been suggested now, namely a rise in the mint price of gold, was a steady development from the Middle Ages to the great monetary crisis of William III's time. The credit inflation of 1696 was an interesting phenomenon during which guineas were bought for speculation and actually changed hands at 30 shillings. Following this period of inflation came the monetary crisis referred to, which led to the final adoption of an almost sacrosanct, unchangeable standard.

But it is interesting to us now to realize that in the monetary crisis of 1696 there was a keen debate on the sacredness of the mint standard. This brought forth Locke's famous essay on "Further Considerations Concerning Raising the Value of Money" and almost equally notable arguments by Lowndes, the Chancellor of the Exchequer. Out of this debate there developed a firm British tradition that the mint standard should not be changed. And it has not been changed since 1717 when Britain (not knowing it at the time) went on the gold standard.

At various times in British history the sacredness of the mint price, whether of silver or gold, proved embarrassing and the price was altered. The price of gold is embarrassing today, in the opinion of many people, and should be changed, they think.

The arguments against writing up the value of gold are numerous and weighty but a study of the history of British coinage should be made by the scheme's protagonists and antagonists alike.

In Canada we have a very particular interest in all of these monetary discussions. For instance, any move to write up the mint price of gold promises huge profits for our gold mines, offset only to the degree that their costs would rise and governments would tax them. And most of our borrowing governments and corporations have written their bonds in terms of "gold coin of the present standard of weight and fineness" and a writing up of gold values would add millions to our public debts. But just to show the multi-faceted character of the problem it may be pointed out that the decline in prices and the depreciation in the Canadian dollar have both contributed to accomplishing the same result in any event.

CONFIDENCE

COL. A. H. CARTER, president of the New York Society of Public Accountants, stated in the course of his address at the annual meeting of the society that public and private corporations are beginning to understand that the confidence of the public is one of the least expensive and at the same time most valuable and essential of all factors of success.

Colonel Carter expressed the belief that business leaders would use greater effort in the future to keep the public frankly informed regarding the securities in which they had invested.

THIS IS SINCERITY

IN NEW YORK state there is a village that goes by the name of Tuxedo. The local congressman endeavored to get the town a share in the United States pork-barrel appropriation and was successful in obtaining a $70,000 grant for a new federal building. Residents of the community were surprised to learn that a new building was being granted to them but, considering their present post-office building suitable, adequate and attractive, they protested so vigorously to their representative in Congress that he will no doubt have the item stricken off.

Again in Wyoming, something similar has happened. The town of Riverton was also down for a $70,000 federal building. The organized business men of the town wrote to Washington asking for cancellation of the proposed appropriation. They were quite willing to sacrifice a new post-office in the interest of economy, they declared.

Such an attitude is probably unprecedented in political history. One should not place too much emphasis upon two lone protests from among the 35,000 communities represented in the latest pork-barrel bill of Congress. But a worthy example can properly be brought to the attention of other communities in Canada as well as in the United States.

If economy is to be anything more than an abstract proposition everyone must consider it as applicable to himself. Those who mumble lip service to economy at the same time that they are dipping their hands into the public treasury are insincere.

EDITORIAL NOTES

Perhaps the American governor who made a plea for the "forgotten man" was thinking of the taxpayer.

* * *

Those who expect a business boom to follow Lausanne and Ottawa should modify their hopes. Neither conference can do more than lay down acceptable principles upon which plans for recovery can be laid.

POST-scripts

STOCK brokers are not terribly busy these days and occasionally the lounge rooms of the exchanges are the scene of such tests of mental agility as sinking the Swiss navy and even tick-tack-toe. The financial editor of The Evening Telegram, Toronto, has been giving some thought to the underworked if overworried financial community and recently dug up a puzzle that has been going the rounds for a couple of years. For those who may not have seen it, it is as follows:

A train is operated by three men—Smith, Robinson and Jones. They are fireman, engineer and brakeman, but not respectively.

On the train are three business men of the same names—a Mr. Smith, a Mr. Robinson, and a Mr. Jones.

1. Mr. Robinson lives in Detroit.

2. The brakeman lives half-way between Chicago and Detroit.

3 Mr. Jones earns exactly $2,000 a year.

4 Smith beat the fireman at billiards.

5 The brakeman's nearest neighbor is one of the passengers, and earns exactly three times as much as the brakeman.

6 The passenger, which name is the same as the brakeman, lives in Chicago.

Question—Who is the engineer?

The example set by The Telegram financial writer is a good one and the "Post-Scripts" column is willing to supply a few puzzles, equally old. Here's one that is very simple once you get it through your head:

It is sixteen miles from Toronto to Oakville. A train leaves Toronto for Oakville travelling at the rate of twelve miles an hour. At the same moment a handcar leaves Oakville for Toronto travelling at the rate of four miles an hour. The engineer of the train has a dog. The dog starts from Toronto beside the train and runs along the side of the track at the rate of sixteen miles an hour and until he reaches the handcar. Then he turns around and runs back to the train. When he meets the train he starts off in the direction of the handcar again and shuttles back and forth like that until the train and the handcar meet.

Question—How far has the dog run?

Probably no one can tell how long the old cocoanut puzzle has been going the rounds but we defy anyone to work it out, even with a calculating machine, in anything under ten minutes and the average person will probably need a couple of hours. Here it is:

Five men are shipwrecked on an island. They proceed to gather cocoanuts to insure themselves of food and after getting together a goodly supply they lie down to sleep for the night. About midnight one of them wakes up and decides to make sure of his cocoanuts. He counts them over and finds that the number is divisible by five with one left over. He throws the odd cocoanut to the monkeys and, hides his one-fifth share. Then he goes back to sleep.

A few minutes later the second man gets up, counts the cocoanuts, finds that they are divisible into five with one left over, throws the odd cocoanut to the monkeys, hides one-fifth of the balance and goes back to sleep.

The third, fourth and fifth men each repeat the process. Each time the man finds that when he has divided the cocoanuts in the pile into five portions there is one left over, which he tosses to the monkeys.

In the morning the five men awake; each with his secret locked in his breast; each thinking that he alone has hidden or thrown away some of the cocoanuts. They proceed to divide up the remaining cocoanuts. The cocoanuts divide into five equal piles with none left over.

Question — How many cocoanuts were there originally?

For good measure we throw in a third puzzle which sounds very simple and for all we know may be very simple. But we haven't tried to work out the answer yet. We'll try to have it worked out before our readers send in their answers:

There is a rectangular field surrounded by a rail fence. The rails are each twelve feet long, and the fence is six rails high all around the field. The number of acres in the field is exactly equal to the number of rails in the fence.

Question — How many acres are there in the field?

To the first person sending the correct answer to all four puzzles addressed to the editor of The Financial Post we will send a copy of "Money for To-morrow," by W. E. Woodward, a newly published critical analysis of the greatest puzzle of all—the economic crisis—written by a popular American biographer and historian.

In the Mail

Permits for Foreign Trade

Editor, The Financial Post:

In your issue of the 7th I note that the Canadian Bank of Commerce admits that inflation has some advantages but would not do for Canada as our money would depreciate in foreign markets.

Would this be so if Canada were to permit imports and exports under permit and in this did not allow the adverse balance to become more than at present?

G. W. NICKERSON.

Prince Rupert,
May 20, 1932.

Estates Tax

Editor, The Financial Post:

Referring to "Probate Tax" and its economically unsound application, in Canada, Britain and elsewhere. Probate if applied right is a good tax, but under present application is causing ruin and unemployment. Instead of the estate being probated it should be the beneficiaries.

For instance, take a successful business, the estate of which is probated and cash must be immediately found to pay the tax. Presuming the estate to be worth $100,000 and probate is 20 per cent, this would actually take away all the working capital and cause the business to become insolvent.

Take another case, two estates valued at $100,000 each, the first leaves one beneficiary, and the second five beneficiaries. It is no hardship for the first, but the second estate pays the same probate and the beneficiaries only receive one-fifth.

There have been several extraordinary cases in America which brought ruin to many wealthy families for exactly the same reason. One was a case of the managing director of a departmental store. His holdings in 1929 before the financial crash were valued at $11,000,000, and probated at that. Before the shares could be disposed of, the crash came and the value had been reduced to $2,200,000. Actually some hundred thousand dollars less than the probate tax. Had the beneficiaries been probated instead of the estate this could not have happened.

If there is any argument against this I should like to hear of same.

LOUIS AJELLO.

West Vancouver,
May 19, 1932.

Tariffs and Debts

Editor, The Financial Post:

Speaking at London on June 1, Prime Minister Bennett restated the protectionist theory that importations of commodities, which could be produced at home, gave work to men in other lands instead of in Canada.

But Mr. Bennett recently said that "Canada should sell more than it buys in order to meet interest charges" and H. H. Stevens, speaking on board the S.S. Letitia at Montreal, put the point more strongly when he said that export was the only recognized way to pay for interest and shipping charges.

Can these statements be reconciled with the protectionist theory? What difference can there be in the mode of paying a debt for interest and shipping charges and of paying a debt for goods imported? If the one has to be paid for with goods surely it is reasonable to assume that so will the other and that therefore there will be no reduction of the total volume of work and wages in Canada.

—A. B.

Westmount, June 10, 1932.

"Stop Me If You've Heard This One"

When he was in Canada recently Lord Irwin told a story that is reminiscent of many of the attempts of economic students to explain the depression.

It seems that there was a bright young man who went out one night and got neatly drunk on whiskey and soda.

The next night he indulged in a second orgy but on gin and soda.

The third night his short cut to complete intoxication was brandy and soda.

Naturally he wakened on the third morning after with a terrible feeling in his head and stomach. After he had recovered from his series of debauches he proceeded, in true scientific fashion, to analyze the cause of his trouble.

He found only one common denominator for the three evenings and came to the inescapable conclusion that what caused the headache was the soda.

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

AND NOW, LAUSANNE

THE Lausanne Conference on reparations and war debts meets under the shadow of a second financial crisis in Middle Europe. Britain and France, which are the chief parties to the conference are thoroughly aware of conditions in Germany and there is some hope that the conference may consider reparations, on the present plan, as a closed book and set as its chief objective the job of salvaging as much as possible from the German commercial debts to private banks in Britain, France and the United States.

Already, however, discussion has begun to range upon the possible policy of the chief intermediate creditor countries in the case of a collapse of the Lausanne Conservation. It is believed that, if no reparations settlement is arrived at at Lausanne, Great Britain will take action by itself to renounce all reparations claims and to agree to cancel its own claims for war debts upon any country which acts similarly in regard to reparations. It is believed that Italy would follow suit and then Britain would endeavor to have her American debts settlement reviewed to accord with the conditions of the day.

* * *

A BRIEF resume of the background of the conference and the reasons it is being held may be of interest. There have been many reparation conferences not one of which as yet reached a permanent settlement. As a result, reparations continues to be one of the principal factors in delaying economic recovery.

The Hoover moratorium on reparations and war debts expires on June 30 and the first job at Lausanne will be to determine the next move after that date. The German people, through their official leaders, have already made it clear that they cannot and will not make further payments.

* * *

HERE is the briefest possible history of reparations. Following the treaty of Versailles, which declared that Germany would have to make certain indemnification of the allied countries, a reparations commission met and in May 1921 fixed the principal sum to be paid by Germany at $31,400,000,000. France was to get 52 per cent, with Great Britain, Italy, Belgium, Jugo-Slavia, Portugal and Japan receiving the balance. The United States asked and was awarded nothing. It soon became apparent that the settlement was incomplete and the Dawes Committee was set up and in 1924 brought forward a plan for heavy annual payments by Germany until 1929 but with the final sum to be paid left unsettled.

A new conference was necessary and in 1929 the Young plan was born. This called for a certain schedule of reparations payments until 1928, the principal sum with interest amounting to over $27,000,000,000. Germany made substantial payments under this plan, but the world crisis made continuance of the payments impossible, and in June of 1931, President Hoover suggested to all the countries a moratorium on all inter-governmental debts and this moratorium took effect June 30, 1931, to last for one year.

In December last, a meeting of financial experts reported Germany unable to meet further obligations and early in 1932 Chancellor Bruening declared that Germany would pay no more reparations. Then the governments concerned decided to hold a conference at Lausanne to discuss the whole matter.

That is where the reparations problem stands at the moment.

* * *

THE war debt problem has pursued a somewhat similar course.

Most of the allied countries had large debts to the United States and between 1922 and 1926 extensive negotiations led to a series of funding plans for the debt that each country owed to the United States.

The major portion of the payments made by Germany eventually found their way to the United States. The European countries have all considered their debt to the United States contingent upon the continued receipt of reparations.

* * *

COMBINING reparations and war debts payments and receipts the position of each nation, as calculated by Dean John T. Madden, of New York, is as follows:

	$
GERMANY	
Payments:	
In reparations	413,600,000
FRANCE	
Receipts:	
From Germany	209,500,000
From other nations	1,800,000
Total receipts	211,300,000
Payments:	
To United States	60,000,000
To England	60,800,000
Total payments	120,800,000
Amount retained	90,500,000
ENGLAND	
Receipts:	
From Germany	86,800,000
From France	60,800,000
From Italy	20,000,000
From smaller nations	6,900,000
Total payments	174,500,000
Payments:	
To United States	171,500,000
Amount retained	3,000,000
ITALY	
Receipts:	
From Germany	46,800,000
From other nations	1,200,000
Total receipts	48,000,000
Payments:	
To United States	14,800,000
To England	20,000,000
Total payments	34,800,000
Amount retained	13,200,000
UNITED STATES	
Receipts:	
From England	171,500,000
From France	60,000,000
From Italy	14,800,000
From smaller nations	23,600,000
Direct from Germany	15,700,000
Amount received and retained	285,600,000

As Others See Us

Government Radio

Alliston Herald—The Financial Post made some pertinent observations in its last issue concerning what will probably be the outcome of public ownership of radio broadcasting. Give it ten years and there will surely be an unsavory mess. Where there is access to the national treasury, plunderers will hover around the chest just as rodents are to be found where food abounds. Men like C. A. Magrath, who during seven years' chairmanship of Hydro kept that publicly owned utility clean, are not available whenever wanted and anyhow there seems political influences at Ottawa than political influences at Ottara than is to be found in the Ontario provincial capital.

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GENERAL MOTORS TRUCKS

The Week in Business

Lower Prices Good News for Consumers
Footwear Output Slumps in May
U. S. Gold Drain Totals Over $400,000,000

ALTHOUGH falling commodity prices are the bane of manufactures and business men, the appearance of lower prices is always hailed with delight by the consumer. On this basis the May report of the Dominion Bureau of Statistics on prices and price indices in Canada, makes good reading and shows that the cost of retail goods, rents and services for the past month took the heaviest fall in any month since the downward trend first got under way in February, 1930. The combined index declined 1.9 points to 81.8 which brings it midway between the annual indices for the years 1917 and 1916. The present index was computed in 1926, and 100 equals the average of prices for that year.

The reason for the sharp drop this month is that the bureau's index of dwelling rents which is one of the chief components of the retail price index, is only computed after the semi-annual moving trek has been accomplished in May and October. The new May figure shows a slump of nearly 5½ per cent in the cost of rents between October, 1931, and May, 1932. The rent index now stands at 93.9 as compared with a high mark of 106.5 in the summer of 1930, so if your landlord has not seen fit to lower your rental by approximately 12 per cent as compared with what you were paying in 1930, there is good statistical evidence that he is out of line with the nation-wide trend for all types of dwellings in leading communities throughout the country.

* * *

BUSINESS records of the week present little concrete evidence as to any definite trends. Carloadings for the week ending June 11 showed a considerable improvement on the previous week and hold out some promise for a better showing in June. Reports from boot and shoe factories indicate a sharply lower output in May, the 1932 figure dropping below the corresponding levels of both 1931 and 1930. Apparently the very good pace at which production started in 1932 has proved a little too rapid for current demand.

In the automobile field news of very drastic price cuts by Auburn in what is apparently a desperate attempt to stimulate a steadily dropping sales volume, is being watched with keen interest by other manufacturers. Whether it will lead to further cuts by other makers is problematical in view of the obvious fact that even at present low prices most plants are operating at an unprofitable level and will continue to do so unless production schedules can be maintained at considerably above current levels. The Auburn move is apparently designed to move out surplus stock models.

* * *

AS TO the world picture, events which have been looked forward to for many weeks are rapidly crystalizing which should mean further clarity, one way or the other, before very long. Lausanne is, of course, the immediate focal point while the prorogation of the United States Congress will undoubtedly allow business and financial interests both in that country and Europe to breathe more freely, if, as and when it materializes.

The gold drain on United States has probably reached its peak although almost $400,000,000 has gone back across the Atlantic in the last six weeks. The record was reached in the seven-day period ending June 8, when no less than $129,000,000 was exported. In some quarters this raid on the dollar is being construed as evidence of the folly of the open market operations of the Federal Reserve Board while others believe that it is a thing apart from the Reserve purchases, which it is claimed will begin to justify themselves once the raid on the dollar is halted. There seems little question but that leading nations are busy fortifying their financial position to preclude difficulties in the event of a collapse of some of the smaller European nations.

Business Conditions in Canada

U. S. EXCISE TAXES NOW BAR GOODS FROM DOMINION

Exact Wording of New Imports Shows Coal Little Affected

Tariff by means of a direct excise tax on all importations of copper, coal and lumber into the U. S. A. is the unusual outcome of the much-discussed action of Senate log-rolling which Canadian producers—particularly of copper and lumber have been watching with considerable interest in the past few weeks. Canada's exports to the United States of these two latter products are currently valued at approximately $30,000,000.

The tax on lumber is $3 per thousand feet b.m. The tax on copper is either four or three cents per pound depending the form in which it is imported. The tax on coal is 10 cents per 100 lbs. but Canada apparently need worry little about it for it applies only to imports of coal from countries where such imports exceed the amount of coal which United States exports thereto. The tax bill, in which these items are included was signed by President Hoover a week ago and is now in effect.

Exact wording of the "excise" taxes are as follows:

"Coal of all sizes, grades and classifications (except culm and duff), coke manufactured therefrom, and coal or coke briquettes, 10 cents per 100 pounds. The tax on the articles described in this paragraph shall apply only with respect to the importation of such articles, and shall not be imposed upon any such articles if during the preceding calendar year the exports of the articles described in this paragraph from the United States to the country from which such article is imported have been greater in quantity than the imports into the United States from such country of the articles described in this paragraph.

"Lumber, rough or planed or dressed on one or more sides, except flooring made of maple (except Japanese maple), birch and beech, $3 per thousand feet board measure, but the tax on the articles described in this paragraph shall apply only with respect to the importation of such articles.

"Copper-bearing ores and concentrates and articles provided for in paragraph 316, 380, 381, 387, 1620, 1634, 1657, 1658 or 1659 of the tariff act of 1930, 4 cents per pound on the copper contained therein; provided that no tax under this paragraph shall be imposed on copper in any of the foregoing which is lost in metallurgical processes; provided, further, that ores or concentrates usable as a flux or sulphur reagent in copper melting and/or converting and having a copper content of more than 15 per centum, when imported for fluxing purposes, shall be admitted free of said tax in an aggregate amount of not to exceed in any one year 15,000 tons of copper content

"All articles dutiable under the tariff act of 1930, not provided for heretofore in this paragraph in which copper (including copper in alloys) is the component material of chief value, 3 cents per pound. All articles dutiable under the tariff act of 1930 not provided for heretofore in this paragraph, containing 4 per centum or more of copper by weight, 3 per centum ad valorem or ¾ of 1 cent per pound, whichever is the lower.

"The tax on the articles described in this paragraph shall apply only with respect to the importation of such articles. The secretary is authorized to prescribe all necessary regulations for the enforcement of the provisions of this paragraph."

Black Spots Mean Good News for Prairie Farmers

The first report for 1932 showing the condition of field crops in the prairie provinces as compared with a year ago, and expressed as a percentage of the 10-year average, has been issued by the Dominion Bureau of Statistics. Here are the two reports analyzed on a comparative basis by The Financial Post. Since May 31, steady rains have considerably improved conditions, especially in the central Saskatchewan area where they are still needed.

Furniture Industry Has Hard Time Ahead

Production Currently 40 Per Cent Below a Year Ago; Retail Business Holding Up Satisfactorily

After rallying to some extent in February the furniture industry has slumped badly again and conditions at present are far from bright, according to a representative of the industry interviewed by The Financial Post. Production is currently about 40 per cent below the same time a year ago, most factories only running intermittently on sold orders, and there is no indication that there will be any improvement before the fall at the earliest.

Furniture, being somewhat of a luxury trade, requires a quickening of general business activity before it is affected. September and October are usually the industry's busiest months and the activity at that time this year will depend a great deal on the results of the western wheat crop and prices and the reaction to these results in the east. No prediction can therefore be made as yet regarding the prospects for this year.

Favorable Factors

There are one or two favorable factors which lead to a hope that when general conditions improve the industry will not be long in getting into its production stride again. Firstly, for the past few months production has been even less than demand and therefore many orders have been executed from stock. This reduction in stock will force manufacturers to increase operations as soon as there is any demand. Secondly, competition from the United States has been eliminated by the recently enacted dumping duties.

A few small factories have been able to maintain a fair average of production by virtue of contract orders obtained by intensive sales effort, but they are in the minority, and the profit margin on these transactions has been small.

Failures Expected

While the financial position of most of the firms in the industry is sound, the representative stated, there have been a number of failures during recent months and it is possible that there will be more before the climax of the depression is reached. Stocks of those companies in course of liquidation are hanging over the market and creating lower prices. Taken as a whole, however, the trend of prices during the past two years has shown a close approximation to the general commodity price level and is currently about fifteen per cent below that of a year ago.

Employment in the industry is at a very low ebb and many of those who are working are only on part time. All districts in which the industry is carried on are affected in the same way, the centre of the industry in southwestern Ontario being as hard hit as any.

Retail Position Brighter

Reports from the retail trade vary considerably but there is no doubt that they have weathered the storm in easier fashion than the manufacturers. Price cutting has been rife and greater effort has been necessary to obtain sales but many retailers report that despite increased advertising expense profits have been fairly well maintained and in some cases unit sales have been increased.

Many retailers have entered the radio and refrigeration fields and here again experience has differed a great deal. Generally it has been a poor year for radio sales but reports from firms handling refrigeration equipment have been more encouraging although none report bumper turnover.

Collections throughout the retail section have kept up remarkably well, dealers stating that the percentage of repossessions would be considered low even in normal times. Dealers in some areas, mainly in Manitoba and Saskatchewan, have experienced poor collections but in the main collection experience has been very good.

May Flour Exports Show Further Drop

From Our Own Correspondent

MONTREAL.—Exports of Canadian flour in May showed a relatively small decline in comparison with those of the same months in the previous year. Exports amounted to 461,867 barrels compared with 481,265 barrels in May, 1931, and values were lower by $51,000 at $1,647,606.

For the ten months ended May, 1932, there was a noticeable decline in flour exports. These dropped from 5,744,402 barrels in the corresponding period of 1931 to 4,366,354 barrels in the ten months ended May, 1932. Values were down by over $9,000,000 at $13,165,760.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1932	1931	Cumulative Jan. 1 to date 1932	1931
Transportation—				
Car loadings (June 4)	42,650	47,031	911,169	1,054,264
C.P.R. gross earn. (June 7) $	2,223,000 $	2,998,000 $	49,366,000 $	62,266,000
C.N.R. gross earn. (June 7) $	2,616,693 $	3,307,355 $	60,367,485 $	76,346,970
	Monthly			
C.P.R. net earn (Apr.) $	918,483 $	1,347,039 $	2,935,898 $	8,512,286
C.N.R. net earn. (Apr.) $	1,067,971 $	894,891 $	449,023 $	993,350
Iron and Steel—				
Pig iron, tons (Apr.)	16,898	53,792	55,699	192,889
Steel, tons (Apr.)	36,030	91,461	133,131	331,037
Automobiles prod. No. (Apr.)	6,810	17,159	24,336	46,512
" exports, No. (Apr.)	355	1,209	1,943	7,798
Construction—				
Building Permits (April) $	4,237,160 $	13,495,165 $	12,901,288 $	38,241,259
Contracts, May $	14,186,000 $	36,395,700 $	62,706,500 $	133,144,200
Newsprint—				
Production, tons (Apr.)	176,660	205,838	666,990	741,740
Exports, tons (Apr.)	138,785	152,360	625,793	650,503
Sugar—				
Imports, raw, lbs. (Apr.)	35,447,400	41,059,000	169,840,300	162,437,100
Melt. & ship., lbs.*	64,566,796	81,036,063	207,549,836	251,794,244
Manufactured, lbs.*	58,751,252	76,655,478	§200,078,899	242,192,048
Flour—				
Production, bbls. (April)	993,385	1,058,311	3,740,470	4,344,878
Wheat flour exp., bbls (May)	461,867	481,265	1,801,865	2,174,964
Other Industrial Indices—				
Lumbering: Plank & board exports mill ft. (Apr.)	42.60	67.87	234.45	291.76
Boots & shoes, pr. (Apr.)	1,523,492	1,669,917	5,914,305	5,661,736
Petroleum, imp. crude, gal. (Apr.)	38,565,064	47,803,049	227,511,589	239,770,908
Cotton, imp., raw, lbs. (April)	6,280,000	6,155,000	30,044,000	32,533,000
Rubber, raw, imp., lbs. (Apr.)	3,584,609	4,637,544	17,151,892	19,529,491
Coal, imports, tons (Apr.)	542,398	537,530	2,392,249	2,976,394
Trade—				
Imports (April) $	29,794,296 $	51,189,376 $	156,943,094 $	227,932,656
Exports (April) $	26,975,756 $	33,935,075 $	141,522,817 $	177,473,837
Wheat exports, bus. (May)	15,543,013	29,521,690	52,348,645	67,103,490
Labor—				
Employment Index (May)	87.5	102.2	....	....
Electric Power—Output—				
M. Kilowatt hours (Apr.)	1,334,328	1,411,090	5,474,624	5,656,356
Finance—				
Failures, No. (Mar.)	208	178	667	606
Failures, Liabilities (Mar.) $	3,399,052 $	3,184,198 $	11,108,423 $	11,944,578
Bank Debits† (Apr.) $	2,078,906 $	2,786,354 $	8,159,024 $	10,560,003
Bond sales (May) $	23,941,567 $	27,477,027 $	138,695,237 $	274,168,114
Insurance sales (April) $	33,629,000 $	45,648,000 $	146,572,000 $	173,961,000
Automobile Financing:				
Used cars (Apr.) $	1,377,325 $	2,877,698 $	3,950,370 $	7,258,004
New cars (Apr.) $	1,567,388 $	3,376,264 $	3,987,340 $	7,096,594

*Four weeks' period, Apr. 24 to May 21. §Jan. 1 to May 21.
†(000's omitted).

HEAVY RAINS IMPROVE GRAIN DETER PASTURE

But Condition of Dominion Crops is Generally Satisfactory

First 1932 report on condition of field crops throughout Canada as issued by the Dominion Bureau of Statistics and covering conditions as at May 31, 1932, may be summarized as follows:

1. Heavier precipitation has improved grain crop prospects notably over 1931, but the cold, backward spring has led to lower conditions of hay and pasture crops.

2. Improvement in conditions of western grain crops is particularly notable. This applies especially to Manitoba and Alberta.

3. In Maritime and Eastern province, crop conditions are behind 1931 for all crops with exception of fall wheat in Ontario.

In tabular form and expressed as percentages of the long-term average per acre the condition of the principal crops for all Canada together with the principal cereal crops in the Prairie Provinces is as follows:

Condition of Canadian Field Crops, May 31
(100 = the long-time average yield per acre)

	1930 p.c.	1931 p.c.	1932 p.c.
Canada:			
Fall wheat	91	97	100
Spring wheat	97	80	96
All wheat	97	81	96
Oats	95	88	95
Barley	97	85	93
Fall rye	95	72	86
Spring rye	93	86	95
All rye	95	76	88
Peas	102	98	96
Mixed grains	102	99	95
Hay and clover	98	98	91
Alfalfa	99	100	97
Pasture	99	97	91
Manitoba:			
Spring wheat	93	89	98
Oats	89	87	94
Barley	95	86	93
Fall rye	96	87	95
Spring rye	94	88	91
All rye	95	87	94
Saskatchewan:			
Spring wheat	97	77	92
Oats	92	76	90
Barley	97	77	90
Fall rye	95	67	81
Spring rye	95	83	91
All rye	95	70	83
Alberta:			
Fall wheat	97	79	93
Spring wheat	99	84	102
All wheat	98	84	102
Oats	90	85	101
Barley	96	87	99
Fall rye	94	80	98
Spring rye	96	87	101
All rye	95	83	99

The Bureau's report of general conditions throughout Canada as at the end of May, follows. It will be noted that the report for the Prairie Provinces is omitted since for these three areas weekly reports covering conditions at a later date are published regularly in The Financial Post from various sources.

Prince Edward Island.—The season is still backward and, with seeding of grain crops not yet completed, it is difficult to estimate condition. The early weeks of May were mostly dry and fine, helping farm operations and encouraging germination and early growth. The latter part of the month was cold and wet. Old meadows survived the winter well, but new meadows show considerable losses. Fruit trees showed promising bud and bloom development, but there was some winter killing of strawberries. Warm weather would be welcome.

Nova Scotia.—The backward conditions reported at the end of April have persisted. The dry, cold and clear weather of the first three weeks of May were favorable for work on the land but detrimental to germination and growth. The last week of May was cold and wet, with the added moisture causing better prospects. Warm weather is necessary to ensure good crops. Very few spring-sown crops are above ground as yet. Pastures are quite poor with considerable winter-killing. The apple bloom was moderate and was fortunately not far enough advanced in the season to be damaged by the numerous night frosts. Plums and strawberries will yield fair crops as frosts caused some damage.

New Brunswick.—The crop season in this province is still two weeks later than usual. May was mostly cold and dry, but some improvement was noted at the end of the month due to a few days of rain and warmth. Hay lands, pasture, and grain crops show fair promise, but need rain. Apples were just blooming at the end of the month. Frosts killed some of the plum blossoms.

Quebec.—The season is generally reported from ten days to two weeks later than last year. Cold, dry weather prevailing during the first three weeks of May delayed sowing and growth of hay and grass. Frost is reported to have caused slight damage to small fruits and vegetables in the last week of May. Weather conditions during the first week of June have been more favorable.

Ontario.—Fall wheat and fall rye have made excellent growth during the past month and are showing prospects for a very satisfactory crop. Copious rainfall and warm weather have brought spring grains along and have considerably improved the condition of hay and clover crops and pastures which had suffered from a late start. Prospects are generally good for orchards and vegetables.

British Columbia.—Dull, cold showery weather has retarded growth generally. Crops, while backward, show good promise. Moisture conditions are satisfactory. The set of all tree fruits appears to be medium to heavy. Vegetables and small fruits promise good crops.

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Provident Clothing and Supply Co., Ltd., of Bradford, England, are making a survey of the Canadian market with a view to establishing in this country. The company has 186 branches through Great Britain engaged in financing all kinds of retail merchandising with the exception of foodstuffs.

Dudley Lock Corp, Chicago, one of the largest manufacturers of padlocks and locker locks in the world has completed arrangements with United-Car Fastener Co., of Hamilton, Ont., whereby the latter company will manufacture the combination padlocks and locker locks of the American concern.

F. A. Hewitt and Sons have moved their canning plant from Prince Edward Island to Amherst, N.S., to be nearer the eastern market. Meats, fruits and fish will be canned in the new plant.

Motion Signs, Ltd., a new industry engaged in making moving advertising signs, has completed a factory in Sarnia, Ont., and is ready to commence

Prairie Return From Wheat Is $104,000,000

With only two more months to hear from the net money value to farmers at country stations of their 1931 grain crops now totals $104,433,360 according to returns compiled monthly by the W. Sanford Evans Statistical Service Winnipeg. This is $46,000,000 lower than for the same period a year ago and is exactly one-quarter of the amount received from August 1 (beginning of the crop year) to May 31 in the peak year of 1927-28.

By provinces the returns are especially interesting in that they bear out definitely the generally known fact as to the variance in purchasing power between various sections of the western provinces. Total returns to Alberta for the crop year to date are only $4,000,000 less, at $54,000,000, than a year ago while in Saskatchewan returns are $30,000,000 less at $37,000,000. In Manitoba the present year's returns are cut in half at $12,000,000.

Returns for May disclose that receipts for all provinces were slightly less than in the same month a year ago a total of $3,500,000 being received during the month as against $3,750,000 in May, 1930. April, 1931, return was only $2,814,000 however. The increase in marketings which occurred early this month when it was expected that the 5 cent bonus would expire, will in all probability have some effect in increasing June payments. Payments by provinces as compared with the preceding month in each case are as follows: Manitoba—$531,876 (April—$357,130); Saskatchewan—$1,055,598 (April—$924,868); Alberta — $1,916,568 (April—$1,582,047).

Total wheat delivered to country stations in the west to date has been 241,761,000 bushels as compared with 294,642,000 bushels in 1930-31.

Business Briefs

Wheat Stocks for the week ended June 7, 1932, amounted to 144,330,131 bu., a reduction of 4,593,620 bu. from the previous week. For the first time wheat is shown in store in Churchill, Man., the quantity being 430,508 bu.

Wheat Exports for the week ended June 2 totalled 5,173,206 bu. as compared with 3,992,200 bu. a week ago and 4,442,817 in the corresponding week of 1931. Montreal shipped 2,711,000 bu., Sorel 550,000 bu., Vancouver 1,370,000 bu. and United States Atlantic ports the balance.

Leather Footwear Output in April amounted to 1,523,492 pairs as compared with 1,720,208 pairs in the previous month. This is about the usual seasonal decline. Production for the four months ended April totalled 5,914,305 pairs as compared with 5,661,736 pairs in the first four months of 1931.

Average Value of the pound sterling declared by the Department of National Revenue for special duty purposes is $4.23 effective for entries during the period June 16 to 30, 1932, inclusive.

Carloadings for the week ended June 4 totalled 42,650 cars, an increase of 2,809 cars over the previous week, but after adjustment for the holiday in the week ended May 28 the index number dropped from 70.56 to 67.55, a new low for the year. The western division recorded an increase

Alberta Creameries Receipts

Alberta creameries received 1,695,155 pounds of butterfat in cream during the four weeks ended May 28, 1932, a decrease of 146,429 pounds or 8.0 per cent under the receipts for the corresponding weeks of 1931, but an increase of 29.0 per cent over the receipts of May, 1930.

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NOTICE

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DIVIDEND NOTICES

AGNEW-SURPASS SHOE STORES LIMITED

NOTICE

Preference Dividend No. 17

A dividend of 1¾% for the three months ending June 30th, 1932, has been declared on all the issued Preference shares of the Company, payable July 1st, 1932, to shareholders of record as of the close of business, June 15th, 1932.

By order of the Board,
K. R. Gillelan,
Secretary.

May 11th, 1932.

THE DOMINION BANK

Notice is hereby given that a Dividend of three per cent upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 30th June, 1932, being at the rate of twelve per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Saturday, the 2nd day of July, 1932, to shareholders of record of the 20th June, 1932.

By order of the Board.
C. A. BOGERT,
General Manager.

26th May, 1932.

DIVIDEND NOTICES

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given, that a Dividend of Three per cent., being at the rate of Twelve per cent. per annum, upon the paid up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after 1st July, 1932, to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board.
WALTER GILLESPIE,
Manager.

Western Grocers Limited

Notice of Dividend

A dividend of one and three-quarters per cent (1¾%) on the Preference Stock of Western Grocers Limited, has been declared for the quarter ending June 30th, 1932, payable July 15th, 1932, to shareholders of record June 20th, 1932.

By order of the Board,
W. P. RILEY,
President.

Winnipeg, June 10th, 1932.

The Sherwin-Williams Company, of Canada, Ltd.

Notice is hereby given that the eighty-fourth quarterly dividend of one and three quarters per cent (1¾%) being at the rate of seven per cent (7%) per annum for quarter ending May 31st, 1932, on the Preferred stock of the Company has been declared payable to shareholders of record the 15th day of June, 1932, and cheques will be mailed June 30, 1932.

Books not closed.
By order of the Board.
P. W. Hollingworth,
Secretary-Treasurer.

Montreal, Que., June 7th, 1932.

Canada Bud Breweries Limited

Dividend No. 11

Notice is hereby given that a quarterly dividend of twenty-five cents (25c) per share on the no par value Common Stock of Canada Bud Breweries Limited, being at the rate of $1.00 per share per annum, has been declared payable on the 15th day of July, 1932, to shareholders of record at close of business on 30th of June, 1932.

By Order of Board of Directors.
JAMES M. HANSON,
Assistant Secretary.

Toronto, 7th June, 1932.

The TORONTO GENERAL TRUSTS CORPORATION

DIVIDEND NO. 144

Notice is hereby given that a dividend of two and one-half per cent. (2½%) has been declared upon the paid-up capital stock of this Corporation for the quarter ending June 30th, 1932, payable on and after Saturday, the second day of July, 1932, to shareholders of record at the close of business on June 18th, 1932.

By order of the Board of Directors.
W. G. WATSON,
General Manager.

Toronto, June 7th, 1932.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

Canada Northern Power Corporation, Limited

Preferred Dividend No. 30

NOTICE is hereby given that a Dividend of 1¾% (being at the rate of 7% per annum) has been declared on the 7% Cumulative Preferred Stock of CANADA NORTHERN POWER CORPORATION LIMITED for the quarter ending June 30th, 1932, payable July 15th, 1932, to shareholders of record at the close of business June 30th, 1932.

By order of the Board.
L. C. HASKELL, Secretary.

Montreal, May 31st, 1932.

BRITISH COLUMBIA POWER CORPORATION, LIMITED

DIVIDEND No. 16

NOTICE is hereby given that a dividend of Fifty cents per Share on Class "A" Shares of no par value has been declared for the period ending June 30th, 1932, to Shareholders as of record at that date and that same will be payable by the Montreal Trust Company at its office in Montreal, on July 15th, 1932.

By Order of the Board,
ERNEST ROGERS,
Secretary

Vancouver, B.C.,
June 10th, 1932.

IMPERIAL OIL'S REVENUE FALLS IN CANADA IN '31

Lower Prices and Volume Obtained; Sharp Western Drop in Demand

AIDED FARMERS

Strong Working Capital Position Maintained—Production Down in South America

Operating profits of Imperial Oil in 1931 were $10,613,869 as compared with $11,453,765 in 1930, the reduced earnings being due to lower prices for products and to a further contraction in the gross volume of sales. Earnings from investments, principally outside of Canada, however, were $9,517,745 as compared with $9,105,839 in 1930. The aggregate of domestic and foreign earnings was $20,131,614 in 1931 as compared with $20,559,604 in 1930 but income tax in the period went up from $1,539,244 in 1930 to $1,904,720 in 1931 leaving net profit available for common stock of $18,226,894 as compared with $19,020,360 in 1930, which is equivalent to 68.16c per share in 1931 as compared with 71.61c per share in 1930. The dividend rate is 50 cents a share.

CONSOLIDATED INCOME ACCOUNT
Years Ended Dec. 31

	1931 $	1930 $
Total oper. profits ...	10,618,869	11,453,765
Add: Other net income	9,517,745	9,105,839
Total income	20,131,614	20,559,604
Less: Est. income tax	1,904,720	1,539,244
Net profit	18,226,894	19,020,360

The lessened volume of sales in Canada was the result of a curtailed industrial demand for petroleum products and the restricted consumption in large areas of western Canada, where the third successive crop failure was experienced. Earnings would have been on a smaller scale except for many economies effected. Inventories depreciated during the year by $1,716,127 and operating expenses were charged at $5,921,682 on account of depreciation of plant and equipment.

Current Assets Ratio Rises

Current assets during 1931 dropped from $72,201,642 to $66,752,422, while current liabilities in the same time dropped from $8,991,131 to $6,474,039 so that the ratio of current assets to current liabilities advanced from 8.03 to 1 to 10.3 to 1.

WORKING CAPITAL

	1931 $	1930 $
Current assets	66,752,422	72,201,642
Current liabs.	6,474,039	8,991,131
Working capital	60,278,383	63,210,511
Ratio	10.3—1	8.03—1

Inventories Down, Cash Up

The lower current assets are explained by a drop in inventories from $34,979,458 to $31,582,646 and in receivables from $21,444,636 to $17,920,393. Cash advanced in the period from $15,600,100 to $17,245,522 while sundries dropped from $177,448 to $3,862.

In current liabilities accounts payable dropped from $7,451,888 to $4,085,129 while reserve for estimated income and other taxes went up from $1,539,243 to $1,904,720. In the current year there were also other accrued liabilities of $484,190.

Investments Show Gain

In 1931 "stocks of other companies, Dominion bonds and other securities and miscellaneous assets" advanced in value shown from $50,462,802 to $67,565,106. In the same period deferred and prepaid charges dropped from $625,932 to $390,028.

Total assets were $255,757,758 as compared with $242,159,164 at the end of 1930. Fixed assets in this period increased from $118,868,753 to $121,050,244.

Reserves providing for depreciation, fire, marine, cargo, freight and P. & I. Insurance and annuities advanced during the year from $55,833,225 to $64,389,877.

Unappropriated surplus and surplus reserve advanced during the year from $103,733,601 to $108,584,328.

President Gives Address

In his address to the shareholders C. O. Stillman, president, said in part:

Helped Western Farmer

"Your company continued to co-operate with the agricultural interests. In spite of the higher costs entailed by serving so large and thinly populated an area as Western Canada, gasoline was made available to Prairie farmers in general at prices lower than the imported product could be laid down duty free. This was done notwithstanding distress prices in the United States. Further, your company put into effect on the Prairies during the summer and threshing seasons a reduction of 5 cents per gallon in the price of kerosene; which is a satisfactory fuel for the operation of farm engines. No comparable reduction in price was available for the benefit of farmers in the Western States. By this policy a low price fuel was made procurable in time of great need.

"In 1930 your company undertook to increase the volume of its business by marketing Atlas tires at its own service stations and through dealers. The success attending this effort prompted plans which were developed during 1931 for the introduction of Atlas storage batteries and other accessories for motor vehicles.

Gasoline Prices Misunderstood

"There existed in 1930 and 1931 a widespread misunderstanding of the gasoline price structure in Canada due to comparisons made between prices at Canadian points and points in the United States where tax evasion and distress selling have brought prices below the equivalent value of crude oil. In February last a motion for an investigation of gasoline prices was adopted by the House of Commons. The Banking and Commerce Committee proceeded with this enquiry. The report, after considering all evidence, was that prices in Canada are not unreasonably high and that discrepancies between prices in Canada and at some United States points are due principally to demoralization of the United States gasoline market through tax evasion and distress selling and, to a lesser extent, to the inevitably higher cost of marketing in Canada.

"The Imperial Oil and International Petroleum fleets as at Dec. 31, 1931, consisted of 25 vessels of 188,013 deadweight tons. During the past year these vessels transported 30,404,585 barrels of crude oil and finished products.

Reduced Western Activities

"Production activities in Western Canada were confined principally to the Turner Valley. Twelve wells were completed. Eight of these were productive. Four were abandoned as dry holes. In common with the company's operations in other countries, development activities were restricted. As a result the total footage drilled was 30,595 feet, as compared with 56,409 feet in 1930 and 90,104 feet in 1929. Only one well, the Lethbridge test, was drilling at Dec. 31, 1931, compared with 13 wells drilling on Dec. 31, 1930. At the end of the year the company controlled 57 productive wells, 52 of which are in the Turner Valley. Two of the remaining 5 wells are at Fort Norman, and the other 3 are dry gas wells situated at Erickson Coulee, Deadhorse Coulee and Pouce Coupe.

"Total production in the Turner Valley was 1,372,625 barrels of which Imperial Oil Limited, through its subsidiary and associated companies, contributed 47 per cent, or 641,039 barrels. Of this amount 297,968 barrels was clear naphtha, 326,830 barrels was discolored naphtha and 16,241 barrels, crude oil.

"The company supplied for consumption in Calgary 5,902,774,000 cubic feet of gas and the policy of building up a reserve supply in the Bow Island Field was continued.

"In June the Alberta Government initiated a programme of gas conservation and on July 1 the company commenced operating under a 40 per cent prorate of potential gas volume. On July 20, this system was changed to a 50 per cent pipe line prorate of naphtha, and operations continued on this basis for the balance of the year. The Government has recently passed an Act whereby conservation in Turner Valley will be further encouraged.

"Exploratory work in Nova Scotia was completed. The Scotsburn well drilled in Pictou County in 1930 was abandoned at a depth of 1980 feet when unfavorable formations were encountered. A second test well in Nova Scotia was located near Amherst and drilled to a depth of 4,134 feet. It was likewise abandoned after having penetrated a great thickness of salt, gypsum and anhydrite. Although no oil was found the drilling led to the discovery of a thick deposit of salt which will probably be of importance in the future.

Makes South American Economies

"Production in Colombia and Peru was 25,912,909 barrels as compared with 30,112,837 barrels in 1930. The daily crude output from the two countries amounted to 70,994 barrels as compared with 82,501 barrels for 1930.

"Drilling operations on the Du Mares Concession were considerably curtailed and production was below that of recent years. Forty-four producing wells were completed; 25 on the Infantas Structure with an average initial production of 514 barrels, and 19 on the La Cira Structure with an average initial production of 729 barrels. There were 3 non-productive wells, two of which were outside the proved limits of the productive areas and one on the Mugrosa Structure.

"Daily average production was 49,965 barrels, making a total of 18,237,190 barrels compared with a daily average of 55,742 barrels and a total of 20,345,916 barrels for 1930. During the past year 1,260,392 barrels were processed at the Barranca Bermeja Refinery. Operations in the field were continued at a normal rate until the middle of April. At that time a voluntary reduction in production was initiated. Deliveries of crude were cut from an average daily figure of 54,000 barrels to 48,000 barrels and were maintained at approximately this rate. This curtailment of output necessitated a general reduction in the scale of field operations which was put into effect gradually during the year.

"With the efforts of the organization diverted from expansion and development, its energy has been concentrated on improving methods of operation. The outstanding accomplishment is that the surplus gas is now returned to the sands in large volumes for the twofold purpose of conservation and of increasing the quantity of recoverable oil. This has reduced the amount of drilling required to maintain the output. Thirty wells were deepened and contributed substantially to the production of the field. This work involved little expense in labor and materials and yielded some of the lowest cost oil that has been produced.

"Improvements and extensions have been made throughout the marketing department to meet the growing domestic demand for petroleum products which will result from extensions of the Colombian national highway and railway systems. The company's fleet serving Colombian customers in the districts accessible from the Magdalena River now comprises nine steamers and thirty-two barges.

"Crude oil production in Peru was considerably curtailed; 7,675,719 barrels were produced representing a decrease of 2,091,202 barrels from the 1930 total. The average daily production was 21,029 barrels compared with 26,759 barrels for 1930. Casinghead gasoline production amounted to 27,395,890 gallons compared with 28,404,838 gallons for 1930.

"The total shipments of crude oil to North and South America, Canada and Europe amounted to 3,419,010 barrels. Refined products, shipped principally to South and Central America and Europe, totalled 4,918,492 barrels. No refined products were shipped to the United States and exports of crude oil to that country were 165,000 barrels or 2.02 per cent of all shipments.

"Under a curtailed drilling programme 55 new wells, of which 46 were productive, were completed. The total footage drilled was 98,880 compared with 256,220 in the previous year; the average number of strings of tools in operation was 10.2 as against 17.2 during 1930. At Dec. 31, 1931, there were 1812 producing wells in the field, 37 wells having been abandoned as depleted producers.

"Further improvements were carried out in field producing methods. Gas handling facilities for gasoline extraction and repressuring were increased and it is expected that the output of gasoline from natural gas will be larger during 1932. As a result of repressuring operations, an increase in the ultimate amount of oil recoverable per acre was definitely established. Work was carried on in reconditioning the older wells and those in which production had ceased to be profitable were abandoned.

"Labor troubles were experienced in the early part of the year. In February the field was shut down for 10 days and again from May 25 to June 20. Various factors contributed to the general unrest in the country. Little difficulty was experienced in keeping order on our properties and the company received every assistance from the authorities in safeguarding the plant and wells."

DIVIDEND NOTICES

A. J. Freiman, Limited

DIVIDEND NOTICE

A dividend of One and One-half per cent (1½%) on the 6% cumulative redeemable convertible preferred shares of A. J. Freiman, Limited, being at the rate of 6% per annum, will be paid on the 2nd day of July, 1932, to Shareholders on record June 15th, 1932.

By resolution of the Directors.
Dated at Ottawa this 4th day of June, A.D. 1932.
S. R. OUELLETTE,
Secretary-Treasurer.

Chartered Trust and Executor Company

Dividend Notice

Notice is hereby given that the regular quarterly dividend of 1½% has been declared payable on the first day of July, 1932, to shareholders of record at the close of business June 25, 1932.

By order of the board,
E. W. McNEILL,
Secretary.

Provincial Paper Ltd.

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable July 2nd, 1932, to Shareholders of record as at close of business June 15th, 1932.

W. S. BARBER,
Secretary-Treasurer.

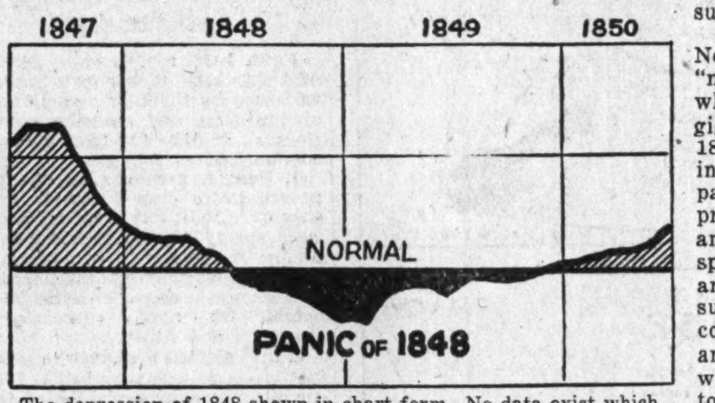
Canada Comes Through - - 1848

IN 1847 there was a financial crisis in Britain. It came on the heels of a long-continued decline of prices. Financial crises came rapidly upon the heels of one another at that time. The price decline between 1820 and 1849 threatened the very existence of property. It was the beginning of the joint stock company period and the British had not learned all the rules of the game. Company promotion flourished and it quickly went to extremes. The railway mania was on. The Industrial Revolution was in full swing. Employers had not learned to be unselfish. They fought against shorter working hours, against higher wages, against the Poor Laws. There was an undercurrent of unrest.

England had gone Free Trade and for a while enjoyed tremendous foreign trade. In 1847 and 1848 came a setback, largely financial. Several large banking firms failed. The potato famine in Ireland brought distress and hunger to that unhappy isle and necessitated large importations of corn that had to be paid for in gold.

Money tightened. Speculation in American and British railways collapsed. Colonial issues fell. Manufacturing declined. Prices fell sharply. The Chartists and the Irish made trouble. Mobs threatened the Bank of England, which hastily hid behind sand bags and muskets. In Britain the panic was acute.

There were repercussions in Wall Street, but they were not severe. Record crops, victories in Mexico, and gold discoveries in California saved the situation.



The depression of 1848 shown in chart form. No data exist which would permit the development of a chart of Canadian economic conditions alone. Figures compiled by the Cleveland Trust Company have been used in making this chart. But the panic was not of great intensity in the States and the downward dip of depression in Canada was much greater than the illustration would indicate.

But there was nothing to save the Canada's. The collapse seemed to increase in intensity before it touched our shores. There was a great decline in shipments of timber, wheat and product to the old land. Crops were not good. Commercial failures were numerous. Montreal and Quebec stagnated. In Canada West the banks were embarrassed. The London agents of the Government's bank were among the British failures. The Canadian banks wrote down their capital and rest by from one fifth to two fifths.

Leading men of the day solemnly discussed repudiation of the public debt.

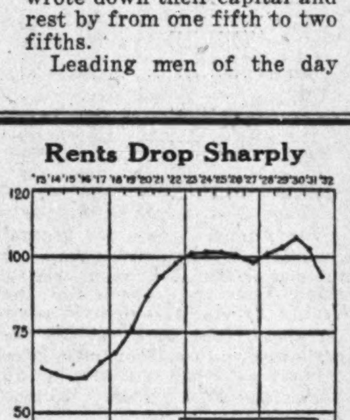
By 1850 the crisis was entirely in the background. Construction of the Great Western Railway began in 1851. Construction of several Grand Trunk Railway units began in 1852. The Niagara River was spanned that year. Between 1850 and 1856, $60,000,000 of British capital was poured in Canada to be invested in railways, canals and other public works. Immigrants came in large numbers. Harvests were bountiful and were sold at high prices. Britain repealed its navigation laws and gave us lower freight rates to Britain. Reciprocity in 1854 opened up the great United States market for Canadian farm products.

The world over, the early fifties saw great prosperity. Gold was discovered in Australia and California. Forty years of price decline was suddenly reversed.

Writing in 1856, Tooke and Newmarch instanced the "new and powerful agencies which have grown up into gigantic dimensions since 1846. These are: the rapid increase of railways in every part of the world; the improvements in the navigation and speed of ships; the rapid spread of population into new and fertile regions; the quick succession of important discoveries in practical science, and the ceaseless activity with which they are applied to increase the efficiency of all mechanical appliances; and, perhaps more powerful than all, the setting free of the enterprise, the industry, and the ingenuity of some of the leading commercial states by the adoption more or less completely of principles of free trade."

Newmarch's researches showed that in 1850-56 prices of meat and provisions advanced 40 to 50 per cent, and of raw materials of manufacture 30 to 60 per cent, while cotton and tropical products stood still. Wages went up 15 to 20 per cent, the building trades and agricultural and unskilled labor being chiefly affected. Export trade doubled. Canada came through the 1848 crisis stronger than ever and enjoyed in the next few years what was probably its greatest boom.

Rents Drop Sharply



Index numbers of dwelling rents in Canada as compiled semi-annually by the Dominion Bureau of Statistics took a drop of 5½ per cent in May. By these figures, rents are now 12 per cent below their 1930 peak.

March Gold Mines Suspends Operations

March Gold Mines has suspended milling operations at its property in the Porcupine area, pending new capital becoming interested in the enterprise.

Interests controlling March Gold are associated with those of Ankerite, which recently resumed production and an effort has been under way for some months to consolidate the properties without success.

Amal. Electric Control Changes

From Our Own Correspondent

MONTREAL.—Control of Amalgamated Electric Corp. is understood to have passed into the hands of Northern Electric Co. This company has always had a stake in Amalgamated, having taken a large block of common stock at the time of the merger.

With the passing of five consecutive quarterly dividends on the preferred, however, voting control passed from the common. Sufficient of the preferred stock has been acquired to give Northern Electric a dominant position in the company's affairs.

Operations of Amalgamated over the past two years have not been especially favorable, deficits having been chalked up in 1930 and 1931.

Temiskaming Mining Reports $1,185 Loss

Annual report of Temiskaming Mining Co., inactive except for its investments, shows a net loss of $1,185, after a depreciation reserve of $2,499, for the fiscal year ended March 31, 1932, as compared with a net loss of $2,367 after depreciation of $6,177 shown in the previous year.

The company's share from its old silver property at Cobalt, operated by lessees, amounted to $1,798, miscellaneous income was $913, making a total revenue of $2,711. Taxes amounted to $1,083 and general expenses of $314 made the total expenses $1,397 for an operating profit of $1,314.

A change in the liquid position of the company is reported for the previous year. Current assets total $16,081 as against current liabilities of $4,696 giving a net working capital of $11,385 as compared with $27,076 shown at the end of the previous fiscal year.

The change can be attributed to a conversion of liquid assets into sundry investments shown at $46,152 as compared with $31,152 shown at the end of the previous year. No details of these sundry investments or values are shown.

The annual meeting of the company was called for June 29. The company's head office is Toronto.

Alexandria Gold Makes New Financial Arrangement

Alexandria Gold Mines has announced a new financial deal with Grant Mahood, of the Mid-continent Goldfields, that in effect replaces the option formerly held by F. M. Connell.

The new deal provides for the expenditure of approximately $200,000 on the property and the construction of a mill. In consideration of this expenditure or the completion of a successfully operating mill the new interests are to receive 50 per cent interest in the Alexandria Mining Co., the operating company holding title to the property.

No work is planned at the property this summer. When the financial arrangements are completed work will be undertaken and first directed at the sinking of the shaft to the 500 ft. level.

Kirkland Gold Belt Has 49 ft. of Ore

At the property of the Kirkland Gold Belt Mines, being refinanced by Grant Mahood of the Mid-Continent Goldfields, reports of developments continue encouraging. On the 125 ft. level drifting, west from the crosscut, has been continuously in ore over the width of the drift. At last reports the drift had been extended 49 ft. and appeared to be the downward extension of the vein showing on the surface where trenching showed 135 ft. of ore averaging 51 inches in width and assaying $11.71 per ton in gold.

Sun Life Assurance Unchanged in Chile

Position of the Sun Life Assurance Co. in Chile remains unchanged following the revolution of last week, according to an official of the company.

Sun Life is the only Canadian life insurance company operating in Chile, and at the time of the uprising a head office official, F. D. Macorquodale, one of the company's agency superintendents was on a visit to the country. No word has been received from him as yet and until this occurs no changes in the company's operations there are planned.

Guard Your Eyes

ACCORDING to the figures of the Dominion Bureau of Statistics and the National Society for the Prevention of Blindness, it is estimated that over 120,000 persons in Canada and the United States are blind, and that more than half of them need not have lost their sight.

Have you had your eyes examined within the past three years? You may be unduly straining them at this very moment. Only an eyesight specialist can tell you whether or not it is wise to use your eyes in their present condition.

Whenever cases of severe, recurring headache, nervous exhaustion, hysteria, insomnia, giddiness or other similar conditions do not respond to medical treatment, the eyes should be carefully examined.

Defective vision will not improve with the passing of time. If neglected, or if the wrong treatment is given, disastrous results may follow. But a mere imperfection in vision is not the most serious thing that can happen to your eyes.

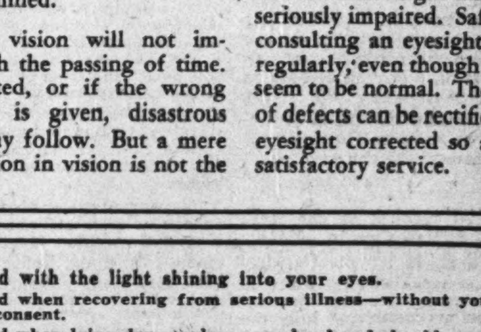
There are damaging eye diseases which, if untreated, eventually lead to blindness. For instance, glaucoma is one of the most insidious eye diseases. It can be present and yet give little indication, at first, of its threat to your sight. Recognized early, it lends itself favorably to treatment. It is, therefore, always advisable for a person more than 45 years old to have periodic examination of the eyes by an expert.

Don't take chances with your vision or with that of members of your family. Make sure that children's eyes are watched and protected. Many cities now make provision for eye tests in schools.

Remember that it is always difficult to restore sight that has been seriously impaired. Safety lies in consulting an eyesight specialist regularly, even though one's eyes seem to be normal. The majority of defects can be rectified and the eyesight corrected so as to give satisfactory service.

DON'T read with the light shining into your eyes.
DON'T read when recovering from serious illness—without your Doctor's consent.
DON'T read when lying down unless your head and shoulders are propped up and the page is held at right angles to your line of vision.
DON'T use public towels and be careful about rubbing eyes with fingers. Dangerous infection may follow.
DON'T hold your work or book nearer the eyes than 12 inches.
DON'T fail to visit an eyesight specialist at the slightest sign of eye trouble.
DON'T use eye-washes, ointments, salves or other remedies unless advised by an eyesight specialist.
DON'T wear glasses not prescribed by an eyesight specialist.

METROPOLITAN LIFE INSURANCE COMPANY
Frederick H. Ecker, President
CANADIAN HEAD OFFICE - - OTTAWA



1872 .. SIXTY YEARS IN CANADA .. 1932

Crop Prospects

MANITOBA NEEDS GOOD RAINFALL

General Conditions Good Throughout Canada, D. B. S. Reports

Crop conditions are promising throughout western Canada and central and southern Ontario but seeding and growth are backward in eastern Ontario, Quebec and the Maritimes, according to the June 14 telegraphic crop report of the Dominion Bureau of Statistics. Fruit prospects range from good in the Maritimes, Quebec and Ontario to excellent in British Columbia.

Cool weather and a backward season in the Maritimes has retarded growth and hay and pasture lands show less than normal promise. Potato acreage is reduced and grain acreage somewhat higher. Tree fruits promise a good yield but bush fruits and strawberries have been damaged to some extent.

Similar conditions have obtained over Quebec and northern and eastern Ontario so that the season is very backward. Prospects are better in other parts of Ontario where ample rainfall and heat has been experienced. Fall wheat maintains its early promise.

Pests Under Control

In Manitoba the crops are well advanced but drought in some parts is forcing the wheat too rapidly. Grass crops are generally sparse. Pests are well under control except in the Morden district where grasshoppers have done considerable damage.

Saskatchewan has experienced general rains and warm weather and crops have made excellent progress. This wet weather has restricted insect damage though grasshoppers are troublesome south and west of Regina and cutworms are generally present over the south-central area.

Weather and soil conditions are almost ideal in Alberta and while there is some insect damage reports give very few complaints of any nature.

While present prospects in British Columbia are excellent, very little rain has fallen recently and this combined with high temperatures will make rainfall needed in the near future. Strawberries and early cherries are now being shipped and are excellent crops.

Rain Throughout Prairies Reduces Insect Menace

Heavy rain throughout the Prairie Provinces during the week ended June 8 has greatly reduced the cutworm and grasshopper menace though danger from these pests has not been eliminated, according to the W. Sanford Evans crop report dated June 8.

Present condition of soil moisture is the best recorded this season, states the report, but the possibility of drought is not yet overcome as requirements are large in order to offset the sub-soil deficiency.

Little Soil Drifting in Manitoba This Year

Soil drifting in Manitoba during May is reported by the Manitoba Department of Agriculture but the damage is only reported to be a very small percentage of that experienced in 1931. Drifting this year was only for a few days and with a continuance of June showers it will be largely repaired.

Grass and clover promise to give only a moderate cut of hay and pastures are only fair, the department reports.

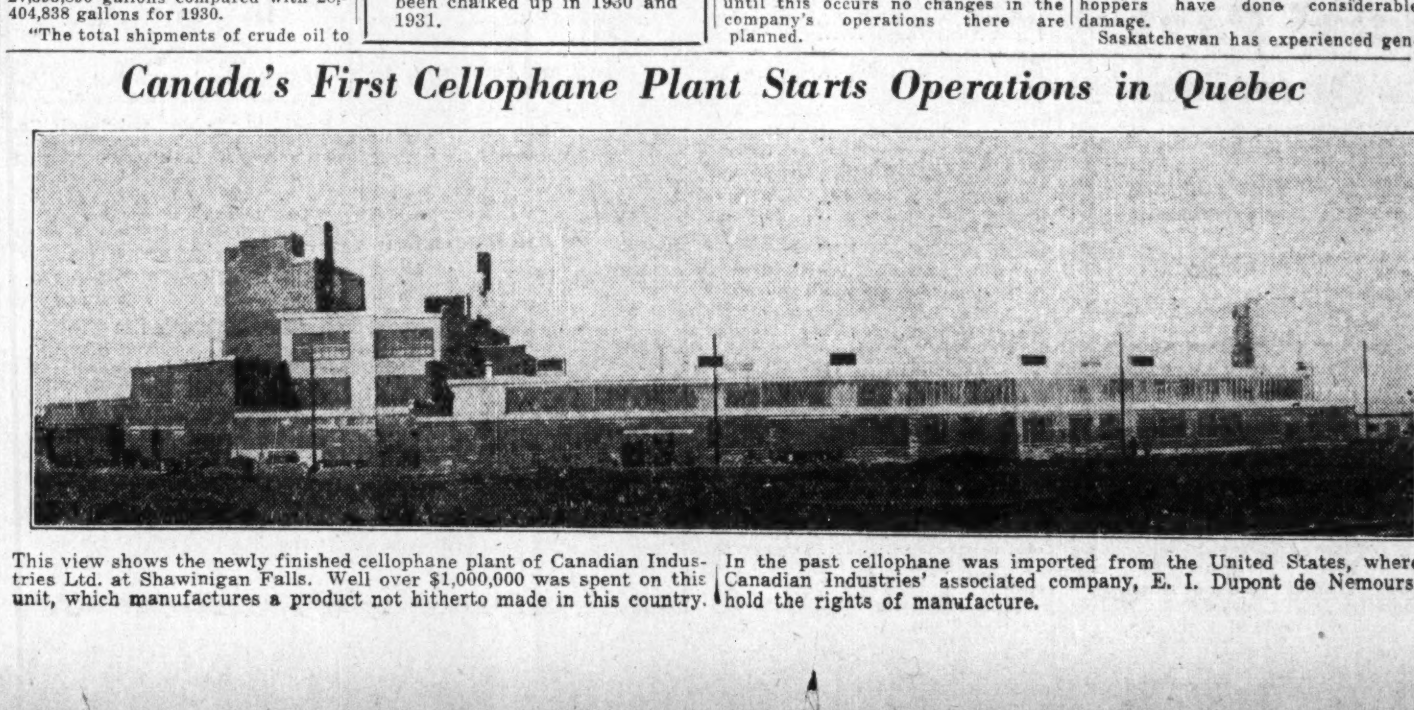
Ontario Crops Benefit by Warm June Weather

Fine weather during the first ten days of June has offset a delayed spring and growing crops have advanced to normal. A good crop of clover and alfalfa is assured and grain crops are now well advanced, fall wheat and rye being especially well forward, states the second crop bulletin of the Ontario Department of Agriculture.

Seeding of spring grains was held up by wet and cool weather in April but was mainly completed during the first week of May. Heavy rains in the second week of May drowned out some areas and resulted in slow germination in others.

Strawberry prospects are good throughout the province but raspberries suffered from winter killing and a lower than average crop is expected. All classes of tree fruits, with the exception of apples, have excellent blooms. General indications point to a lighter crop of apples than last year in western Ontario and a heavier crop in eastern Ontario.

Canada's First Cellophane Plant Starts Operations in Quebec



This view shows the newly finished cellophane plant of Canadian Industries Ltd. at Shawinigan Falls. Well over $1,000,000 was spent on this unit, which manufactures a product not hitherto made in this country. In the past cellophane was imported from the United States, where Canadian Industries' associated company, E. I. Dupont de Nemours, hold the rights of manufacture.

Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Paying Dividends From Paper Profits

Prof. Thompson Says Dominion Companies Act, as Amended, Permits Questionable Method of Showing Profits

Prof. R. R. Thompson, M.C., V.D., A.C.A. (England), C.A., School of Commerce, McGill University, Montreal, in the May Number of "The Canadian Chartered Accountant" argues that recent amendments of the Dominion Companies Act of May 30, 1930, provide a very questionable method of showing a profit. This amendment provides that if an issue of no par value shares took place several years ago and no declaration was made "on or before the issue and allotment thereof" as to how much of the money received was capital, the company can now make up its mind and transfer a portion to capital and a portion to distributable surplus.

Amendment Has Obscured Wording

The amendment, which is rather obscure in its wording to the lay mind is section 6 of the Dominion Companies Act, May 30, 1930, amending section 9, subsection 8, and reads as follows:

"In the case of any shares without nominal or par value which were issued before the date of the coming into force of this Act, or of any such shares which may be issued thereafter without there having been more, on or before the issue and allotment thereof in accordance with the provisions of this Act, a declaration that any specified proportion of the consideration to be received therefor shall be capital, the directors may at any time pass a by-law for either or both of the following purposes, namely: (a) declaring that a specified portion of the consideration received for any such shares, whether issued before or after the going into effect of this Act, shall be capital;

or (b) approving the consideration received for and confirming the issue of any such shares which were issued for a consideration not fixed in accordance with the provisions of this Act, and upon such by-law being sanctioned by at least two-thirds of the votes cast at a special general meeting of the shareholders of the company duly called for considering the same the Secretary of State, upon being satisfied of the expediency and bona fide character thereof, may grant supplementary letters patent confirming the said by-law."

What Sound Finance Requires

Prof. Thompson points out that before declaring a dividend out of profits the usual requirements of sound finance are as follows:

1. All expenditures and waste of fixed and circulating assets incidental to the process of earning profits by the conversion of circulating assets into cash should be made good out of profits earned, including losses for known, but unlocated amounts, such as bad debts and provision for old revenue losses;

2. Capital profits should be first applied in making good capital losses;

3. If object and nature of the company necessitate it, any remaining capital losses should be made good out of net revenue profits;

4. Profits should be set aside in reserve to strengthen the business and to provide for the equalization of dividends in lean periods.

The remaining profits, in Prof. Thompson's opinion, may be safely distributed as cash dividends, except in the case of unrealized profits which must never be used as justification for cash dividends. This was very important as much of a country's present and future success depends and always will depend on the soundness of its financing and accounting.

Permits Profit Manipulation

Prior to the 1930 amendment to the Dominion Companies Act, Prof. Thompson said, most accountants had considered that, there being no provision to the contrary at the time, all the money paid for no par value shares was capital.

"It is probable that those managing the companies, which issued the shares, also thought the same at the time," continued Professor Thompson. "However, now they have an opportunity for stating that, after many years, they have made up their minds regarding this consideration. In the meantime they have probably been using the whole of it as capital, but now they can say that so much is capital and so much is premium or 'distribution surplus.'

"The shareholder, who subscribed his money years ago, cannot change his mind now, and he undoubtedly subscribed it under the impression that all of it was to be used as capital for the company; but his only hope lies in there being present at the special meeting called to pass the transfer, sufficient shareholders who understood the situation, and who are strong-willed enough to vote against the director's by-law. The possibilities of this enactment for the wiping out of objectionable debits, and the creation of convenient credits, and the manipulation of 'profits' for the payment of dividends are obvious and very great indeed.

"It is practically certain that in the past there have been cases of holding companies which have issued no-par-value shares for the whole of the assets of subsidiaries, when those assets included undistributed profits of the subsidiaries. The shareholders of the subsidiaries have become the shareholders of the holding companies, and in due course have expected their dividends. Those directing the combine have caused the subsidiaries to pay cash dividends to their shareholders, the holding company. Then, not realizing that the cash handed over was really part of the purchase consideration for the holding company's no-par-value shares, the directors of the holding company have credited these dividends to income, and paid a dividend out of them to their shareholders.

Were Personally Liable

"Legally, they had paid a dividend out of capital, and were personally liable to refund the money. Now this has been done in all honesty, and it was never the intention of those forming the combine to regard the assets representing the surplus of the subsidiaries as anything else but surplus distributable among the individuals who had been shareholders of the subsidiaries and became shareholders of the holding company. In such exceptional cases it would be hard for those, who have done what they considered to be the right thing by the shareholders, to have to suffer, and the law is very clear about their liability being a continuing one.

Should be Revised

For such cases this section has provided a way out; but it ought to cease at that. People, who have made honest mistakes in the past, have had full opportunity to avail themselves of this section, and to evade this liability. This subsection 8 should now be much revised or taken off the statute books altogether; otherwise we can expect transfers from what is really 'capital' to so-called 'surplus' which will be unsound finance of the most questionable kind.

"Subsection 4 of the same section 6 provides for the issue of no-par-value shares for a consideration, part of which may be set aside as distributable (capital) surplus; but sets no limitation on the amount of such surplus. The writer feels that this could and should have been done: the amount of the consideration to be regarded as capital could have been made not less than the amount of the equity of the existing shares of the same class in the existing capital of the company as shown in its latest balance sheet.

Show Revenue Surplus Separately

"An exception could be made in a case where there is a loss to be disposed of and the shareholders of one profit-sharing class are going to deal with it by taking up at a premium the whole of a further issue. In such a case it would be fair to have no limit on the amount to be set aside as surplus so that a credit can be obtained large enough to deal with the loss. This section 6, however, makes one thing quite clear: a definite portion, if not the whole, of the consideration for no-par-value shares is capital, and accordingly should be credited to a capital account. Now section 136, subsection 3 of the Dominion Companies Act provides that every balance sheet laid before the company shall show the amount paid on the common, and on the preferred shares respectively: it is difficult to understand how a balance sheet can be said to comply with this and at the same time show the capital and surplus as one item. Section 36 of the new Act requires this portion of the consideration received upon the issue of n.-p.-v. shares, which is attributable to surplus, to be shown separately from capital, and the intention is certainly to show revenue surplus also separately."

Associated Breweries

What is the financial position of Associated Breweries. By what margin were dividends earned during 1931?

Associated Breweries of Canada, Ltd. had net revenue of $347,627 in the year ended December 31, 1931, which was equal to $28.59 per share on the preferred stock and, after payment of preferred dividends to $1.18 per share on the no par value common stock. In 1930, the company earned $37.46 on preferred shares and $1.89 on common shares. Preferred dividends at the rate of $7 per share have been paid annually since the company was formed in 1928. The present annual rate of 60 cents per share on the common started with the quarterly payment made September 30, 1931, the former rate having been $1 per share.

The balance sheet of the company shows a strong cash position with current assets of $838,593, and current liabilities of only $2,231. Included in current assets is cash at $168,506, Dominion of Canada and C. N. R. bonds at $449,752, listed stocks at $164,638, and life insurance policies of $54,689. The company is a holding company which controls several breweries in Western Canada, shares of the constituent companies which are held are valued in the balance sheet at $3,301,742, with mortgage and other investments at $749,697. During 1931 the company provided $297,854 as reserve for contingent losses on investments. During 1931, the company redeemed an additional $184,300 of preferred shares, leaving $1,215,700 outstanding together with 224,600 shares of common stock.

Great Lakes Paper

It has been suggested in payment of a debt that I should take in place of cash a reasonable proportion of the bonds of the Great Lakes Paper Co. Enquiries I have instituted developed the information that these bonds are selling at a low price and several coupons in arrears but that there is a probability that payment will be resumed within the year and that in view of the fact that this company is making profits the bonds should be worth considerably higher price within a few years.

Great Lakes Paper Co. has a modern low cost newsprint mill capable of producing 100,000 tons of newsprint per annum, and according to earnings figures issued before the company went into receivership it was capable of earning its funded debt charges by a satisfactory margin.

The company went into receivership early in 1931 following the collapse of Minnesota & Ontario Paper Co. which owns $4,934,900 of Great Lakes preferred stock. Great Lakes was operating entirely on orders supplied by Minnesota & Ontario. Negotiations have been under way between the receiver of Minnesota & Ontario and the Great Lakes Paper as to allocation of tonnage and contracts and the Great Lakes Paper claims have not as yet been settled. The company has continued to operate on orders handed over by Minnesota & Ontario and is now operating on somewhat better than 30 per cent of capacity. On this basis we are informed that the company is covering all operating expenses, but there remains little or nothing for bond interest.

If the claims of the company against Minnesota & Ontario Paper are settled satisfactorily or the National Trust Co., acting as receiver and manager, is able to secure new business, the company might be put in a position where bond interest payments could be resumed. There has been no indication, however, that interest will be resumed this year.

There is no active market for the Great Lakes Paper bonds which are traded over the counter. Prices on June 11 were 11½ bid and 14 asked. Given a sound basis of earnings the bonds would undoubtedly be selling much higher than at present, but there is no indication as to when this satisfactory state of affairs will come about.

Can. Financial Founders

Please give me information as to the security of the Canadian Financial Founders Investment certificates and Diversified Trustee Shares, Series D, with any other information on this plan of investment?

The Canadian Financial Founders' investment plan provides for fixed periodic payments over a ten year period and the money is invested in Diversified Trustee Shares, Series D, which are issued on the security of shares in 30 United States corporations. Diversified Trustee shares may be purchased directly in units of five shares and upwards.

Canadian Financial Founders' plan provides for insurance protection upon the unpaid balance due under the contract and the cost of this insurance as well as selling expenses and trustee fees and profits are deducted from the monthly payment made to the Prudential Trust Co. and the balance is invested in Diversified Trustee shares. Semi-annual distribution on the shares is kept by the trustee and allowed to accumulate until all payments due under the contract have been made, or the investor finds it necessary to withdraw. The cost to the investor is somewhat high, due to the fact that in addition to insurance premiums there is deduction of two trustees' fees and operating costs of two selling organizations. At the present time, the Canadian dollar is selling at a discount in terms of U. S. funds, and while this may not continue over the ten year period, it reduced the amount of money actually invested in Diversified Trustee Shares at the present time.

In undertaking an investment under the Canadian Financial Founders' plan, it is advisable that the investor should be reasonably assured that payments can be continued for at least the greater part of the contract period. If, for any reason, it is necessary for the investor to withdraw later from the contract after two or three years, the returns on his investment would not be particularly satisfactory. The returns on the investment over a ten year period will depend upon general business conditions and appreciation in the shares underlying Diversified Trustee Shares, Series D, and there is no way of forecasting what this appreciation will be in any period.

Dominion Bonds

What security backs any of the Dominion Government bonds? Is it simply Dominion Government property or the whole of Canada's property, public and individual? For instance, is the property of the Canada Life or the C. P. R. behind Dominion of Canada bonds?

Under the British North America Act of 1867, the Dominion of Canada is empowered to borrow money on the credit of the Dominion and authority to raise money by any system of taxation direct or indirect. In essence, the security behind the Dominion of Canada bonds goes back to the provisions of the British North America Act.

Bonds which are a direct obligation of the Dominion are secured by a charge on the consolidated revenue fund of Canada and the good name of the Dominion is pledged toward the payment of the obligation when the bonds are issued. Before any money can be raised through a loan by the Dominion, the authority of an act of parliament is necessary, and the statute authorizing the loan is usually confined to a specification of the amount and object of the loan which may be raised while the procedure to be followed in raising the loan is provided by the consolidated revenue and audit act. The actual borrowing and issue of securities is authorized by the Governor-General in Council. All revenues of the Dominion from whatever source derived as and when received are paid into the consolidated revenue fund, and the principal and interest of and on all securities of the Dominion of Canada are chargeable on and payable out of this consolidated revenue fund.

Dominion of Canada bonds are not, therefore, secured by a first mortgage on any specific property, but are a charge on all income of the Dominion Government which comes from taxpayers across Canada. Such companies as the Canadian Pacific Railway and the Canada Life Assurance Co. are representative of the larger taxpayers.

In order to carry on public work and unemployment relief and other operations, the Dominion must borrow large amounts of capital and it is in the interest of the entire country that such borrowings be accomplished at the least possible cost. If the credit of the country is not maintained by prompt payment of obligations outstanding, the cost of new borrowings is largely increased, and it may even become impossible to borrow at all. The maintenance of a high credit rating is, therefore, important with any major borrower and particularly the Dominion of Canada or any other government and this is added security to holders of Dominion of Canada bonds that interest and principal payments will be met promptly.

Canadian Western

Please let me have your opinion regarding the preference shares of Canadian Western Natural Gas. There are so many conflicting opinions regarding this security.

Canadian Western Natural Gas, Light, Heat and Power Co. is controlled by Dominion Gas and Electric Company which is entirely owned by American Commonwealth Power Corp., the latter being operated at present under a receivership. Apparently the difficulties of the parent company have not affected Canadian Western Natural Gas which in 1931 earned $15.13 a share on preference stock and paid $6.50. These earnings per share are lower than for many years, but the company has continued to show more gross business even in 1932. Working capital deficiency is shown but earnings have been ample to cover all requirements to date.

Canada Malting

Please send me report on Canadian Malting and Dominion Stores common stocks.

Canada Malting Co. has been paying $1.50 per share on 198,972 no par value common shares outstanding, since the first payment was made on March 15, 1928. The earnings of the company in these years respectively have been as follows: 1928, $1.94; 1929, $2.20; 1930, $1.24; and in the year ended August 31, 1931, $1.51.

The company is a successful, well-managed company, but earnings have not so far been so far ahead of dividend requirements that continuance can be absolutely relied upon. Working capital is strong, current assets being six and a half times current liabilities. In the last year for which information has been given bank overdrafts were reduced from $546,000 to $92,000. The report for the current year will probably not appear until late in November of this year.

Dominion Stores has the financial distinction of having greater gross sales in 1931 than in any year of its existence. One reason for this addition in gross sales was that 46 new stores were opened up. Net profits were lower than in any year since 1926, and amounted to $2.07 per $100 of sales. Working capital is strong. At the end of 1931 there was a bank loan for the first time of $265,000. The lower profit level was probably because the company's retail price level declined about 15 per cent during the year. The company's business measured by tonnage handled per store was reported by W. J. Pentland at the annual meeting as being ahead of the previous year. The company declared an extra dividend in 1931 of 30 cents in addition to the regular dividend of $1.20. Ever since 1924 earnings have been very much in excess of dividends paid and that situation is understood to have continued in the current year.

Imperial Oil

Will you give me the latest information on Imperial Oil and the prospects of its common stock?

Imperial Oil's financial statement for 1931 is reviewed elsewhere in this issue. You have no doubt read in the newspapers the accounts of the findings of the gasoline prices committee at Ottawa, which had a number of auditors go over the Imperial Oil Company's books for 1930 to see if there had not been too much charged for gasoline. They found profits to be 1.01 cents per gallon and that the company had not charged to costs all that it might reasonably have done. This is interesting to you as an investor, as it is to others as consumers.

Imperial Oil has managed to pay its dividends and to earn more than the said dividends by reason of the fact that it has received a larger price on the whole than have similar companies in the United States. That has been the case with the whole industry in Canada but the auditors state that these profits in Canada have been reasonable and that the margin of profit has been low.

In the United States, most companies were operating in the red in 1931. Canada has been saved from that situation by higher tariffs and by the regulations permitting the customs officers to place valuations for duties at what they considered reasonable prices in estimating the duties.

Certain members of Parliament have been asking to have that duty lowered and to have the regulations changed in order that Canada will have the same rate structure as in the United States. Imperial Oil and other oil companies' executives have stated that such prices would mean bankruptcy for most of those in the industry and certainly profitless operation for a while. In considering Imperial Oil as an investment, you have to take into consideration this point.

So long as there is potential overproduction in the United States and a huge pressure of supplies on the market at low prices, this danger must exist. It affects Imperial Oil, however, even more drastically in that its chief subsidiary, International Petroleum, operates in Peru and Colombia and sells in the world markets on the basis of the price of crude petroleum in the mid-continent states of the United States.

The United States has just placed a duty on petroleum, which will undoubtedly affect the sales of International Petroleum to the United States. Because of its affiliation with Standard Oil of New Jersey, executives of International Petroleum Company hope to be able to make up in markets of the world for being deprived of the United States market to some extent. At the refinery at Halifax owned by Imperial Oil, at refineries already erected in Peru and at a larger refinery possible for Barranca Bermeja, Colombia, they may manufacture gasoline and other products for world markets. This may take time.

The company is very strong financially and on the long view it should traverse the intervening period between now and the time when oil companies are running under normal conditions better than most. The actual profits during this interval are, of course, impossible to calculate at the moment.

Read the statement by Mr. Stillman, president, as to South American activities of the company as these have an important bearing on the present and future fortunes of the company.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Teck-Hughes Gold

I hold 300 shares of Teck Hughes Gold Mines purchased at considerable higher levels than now prevailing. I have read your articles on this mine from time to time as well as other financial periodicals and as a result am inclined to buy a further 1,000 shares on the belief that this property has reasonable prospects for a period of five years.

Shares in Teck-Hughes Gold Mines at current prices are giving a yield of approximately 18 per cent on the investment. Current dividends of 60 cents per share annually are being earned by a slight margin. It therefore, becomes apparent that on an actuarial basis, this rate of dividend must continue for a period of about seven years to ensure the investor getting a return of his original investment plus dividends of 6 per cent in the interim. The speculative element in Teck-Hughes therefore rests on this point whether or not there is sufficient ore for 7 years supply at present production rate?

There has been no official statement from the company since its annual meeting last November and it is rather difficult to determine the progress being made in its deep development programme. Ontario Government figures showed that in the last quarter of 1931 the recovery per ton was the lowest in several years, or about $11.50 per ton. In the first quarter of 1932 an improvement had been made with an average recovery of $12.20 per ton and it is understood that the April production was at still a higher rate. Shareholders have displayed a considerable lack of confidence in the company as last summer when it was passing through one of its most precarious periods they were led to believe by official statements that mine developments were satisfactory, whereas several lean horizons were passed through. It is known that several high grade shoots have been encountered in the lowest development work, but whether large ore bodies which characterized the upper levels will again be encountered is a matter of speculation. There has been no change in the geological formation and it continues to be conducive to ore deposition.

The official statement of ore reserves as at August 31 last was about one-and-a-half years supply at the current mill capacity of 1,300 tons daily. This does not truly reflect the ore possibilities of the mine as it represents only proven ore. To the end of August, 1931, the mine had produced a total of 1,779,806 tons of ore averaging $16 per ton. Up to that time the main development programme had been carried to a depth of 3,600 ft. As a basis of calculation it might be assumed that to produce this tonnage the mine had been practically exhausted to the 3,000 ft. horizon. To keep the mill operating at current capacity for a 7-year period would mean the mining of 3,290,000 tons of ore or, roughly, twice the amount that has been mined to date. On this basis of calculation it will thus be seen that if lower levels responded in the same manner as the ones that have been mined in the past, operations would be carried to a depth of 8,500 ft. to produce this quantity of ore. In this connection it is interesting to note that the management has said it is prepared to follow the ore to the lowest mineable depth. While present deepest mining in gold mines is around 7,500 ft. future operations have as an objective 10,000 ft. and Teck-Hughes officials believe operations in Kirkland Lake can be carried to this depth if the ore persists.

4%

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WHEN REMITTING SEND CANADIAN NATIONAL EXPRESS MONEY ORDERS

Linen Mills For Sale

The present Board of Directors being desirous of retiring are prepared to recommend a sale of Dominion Linens Limited as a going concern, and invite tenders for the purchase of the preferred and common stock of the Company.

Full particulars may be obtained by addressing the Company at Guelph, Ontario, Canada.

DOMINION LINENS LIMITED.

New Issue

$9,415,500

City of Montreal

6% Sinking Fund Bonds

(Non-Callable)

$3,949,500, Dated May 15, 1932, Due May 15, 1940

$5,466,000, Dated May 15, 1932, Due May 15, 1944

Principal and half-yearly interest (May 15 and November 15) payable in lawful money of Canada at City Treasurer's Office in Montreal, or at the principal office of the Bank of Montreal or the Banque Canadienne Nationale in the City of Quebec, or at the principal office of the Bank of Montreal in the cities of Toronto, Winnipeg, Vancouver, Halifax and Saint John, N.B. Denominations: $1,000 and $500. Bonds may be registered as to principal.

Legal Opinion: Messrs. Meredith, Holden, Heward & Holden for the Bankers and Charles Laurendeau, Esq., K.C., for the City.

These bonds are direct obligations of the City of Montreal and are issued for refunding maturing obligations, defraying the cost of construction of important public works, part of which is for the relief of unemployment, and for other purposes of the City.

Montreal is the largest and wealthiest city in Canada. The City is the most important commercial centre in the Dominion, as well as Canada's greatest railway centre and the second largest ocean port in North America. It enjoys an ideal situation for manufacturing purposes, surrounded by hydro-electric plants which produce an abundance of electrical energy. Montreal is one of the oldest settled communities in Canada, and is the headquarters for many important industrial and financial institutions.

We offer these bonds if, as and when issued and accepted by us and subject to approval of Counsel. It is expected that bonds in interim form will be ready for delivery about June 23rd, 1932.

PRICE: 100 and accrued interest to yield 6%

Bank of Montreal		Banque Canadienne Nationale
The Royal Bank of Canada	The Canadian Bank of Commerce	The Bank of Nova Scotia
	La Banque Provinciale du Canada	
A. E. Ames & Co. Limited	Dominion Securities Corporation Limited	Wood, Gundy & Company, Limited
Hanson Bros. Incorporated	Royal Securities Corporation Limited	Nesbitt, Thomson & Company Limited
McLeod, Young, Weir & Co. Limited	The National City Company Limited	Harris, Forbes & Company Limited
L. G. Beaubien & Co. Limited	Drury & Co	Ernest Savard, Limitée
W. C. Pitfield & Company	F. W. Kerr & Company	Fry, Mills, Spence & Co. Limited
Bell, Gouinlock & Co. Limited	Crédit Anglo-Francais Limited	Mead & Co. Limited
Hannaford, Birks & Company Limited	Geoffrion & Rainville	R. A. Daly & Co. Limited
Société de Placements du Canada	Collier, Norris & Henderson Limited	René-T. Leclerc Incorporated
Williams, Partridge & Angus Limited	A. S. McNichols & Co. Limited	Hodgson Bros. & Co. Limited
Société Générale de Finance Inc.	Lajoie, Robitaille & Cie Ltée	Geo. Beausoleil & Cie

The statements contained herein are based upon information which we believe to be reliable but are in no event to be construed as representations by us.

GOVERNMENT PLAN OF REPATRIATION YIELDS RESULTS

Over 6,200 Persons Brought From U.S. to Quebec in 3 Years

Repatriation of Canadians from the New England states has had highly successful results according to figures of the Quebec Government's efforts in this regard published in the statistical year book of Quebec, 1931, this week.

Since March, 1928, the Quebec Government has been waging a campaign of repatriation of Canadians established in the United States. Between that time and the end of 1930, the latest date for which figures are available, no less than 627 families representing 3,187 persons have returned to settle on farms in Quebec and 723 families and 31 single persons making in all, 3,040 persons have returned to industries in the province. Nearly $1,700,000 of property was bought back by the repatriated during 1930 alone, approximately $500,000 by farming families and $1,069,282 by those returning to towns and villages. The cost of repatriation to the government was $187,963 in 1930. Allowance is made only to families returning to devote themselves to farming.

The selection of families to be repatriated is entrusted to a missionary residing in the New England States who minutely investigate each case. He makes enquiries as to their place of residence and the localities from which they came and also enquires about the place to which they wish to return. Observations have proved that few of these families are adapted to colonization in the proper sense of the word, but are more fit to accommodate themselves to living conditions in organized rural centres.

In 1930 alone, the government repatriated 347 families consisting of 1,708 persons, while in addition 618 families or 2,611 persons returned in that year from the United States to settle in towns and villages in the province.

The number of families with an allowance, who settled in the past three years analyzed according to the areas from which they were repatriated is as follows:

	1928	1929	1930
Connecticut	8	27	104
Maine	18	21	20
Massachusetts	75	50	75
Michigan	1	3	7
New Hampshire	8	30	45
New Jersey	1	..	1
New York	2	4	14
Rhode Island	2	18	60
Vermont	..	12	21
	115	165	347

FIND DIFFICULTIES IN TEXTILE EXPORTS

Canadian Manufacturer Has Problem in English Market

From Our Own Correspondent

MONTREAL. — Handicaps of the English market weigh heavily against the Canadian manufacturer in his efforts to introduce Canadian clothes to the British idea, according to Produced-in-Canada Textiles and Accessories which has made a survey of the situation. The recent inception of a tariff by Great Britain has suggested opportunity for many Canadian manufacturers and the textile group, like others, decided to test its ability in entering the home of textiles.

But the experiment, according to Textiles and Accessories' survey, has not proved particularly successful. By the time the Canadian textile manufacturer has met the handicaps of exchange and lower wages his costs are completely out of line with those prevailing in Great Britain.

In style, and style alone, lies the hope of a possible small textile market for Canada in Great Britain. Instances have been discovered where, owing to certain distinctive styles made in Canada, a market for a line of goods has been found in England. Bathing suits, full fashioned silk socks come into this category while it was found that one Quebec dress firm was negotiating for a substantial amount of business.

In the latter case, however, Canadians could not compete with prices or material but sales depended entirely on a matter of style. Other firms interviewed by Textiles and Accessories were not so optimistic and for the most part expressed the opinion that the market for the Canadian textile manufacturer in Great Britain was extremely limited.

Price Cut by Auburn Does Not Indicate Trend

Drastic price cuts by Auburn Automobile Co. in the United States designed to spur sales in a lagging market have brought the company's lowest priced models within about $200 of Ford, Chevrolet and Plymouth and have established a price differential of between $100 and $300 between Auburn and its leading competitors

Whether or not these cuts will be extended to Canada has not yet been decided, The Financial Post learns.

This action by Auburn is not expected to affect the prices of other leading automobiles, according to Canadian manufacturers queried by The Financial Post, as it is pointed out that Auburn this year is only obtaining about half of the proportion of the available market which it received last year. Only if there is a wholesale run of buyers to Auburn to the exclusion of other makes is there any likelihood of a general decrease of prices.

Empire Wines Gain at Expense of Foreign

Australian and South African wines are displacing to some extent the historic wines of France, Spain and Portugal, particularly in the non-sparkling field, import figures for the twelve months ended March, 1932 show.

During the fiscal year 1930-31 the importation of non-sparkling wines amounted to 971,200 gallons, of which 79,015 came from Empire countries, but in 1931-32, although there was a decline in the total imports to 831,349 gallons, imports from the Empire rose to 93,265 gallons.

Automobile Market Slow in Australia and Argentina

Specific reports from two of Canada's chief automobile markets, Australia and Argentina, are published in the current issue of Commerce Reports, Washington. The survey reveals poor conditions in the new car market and more activity among used cars.

Australia has a brisk market for good used cars selling between $500 and $1,000, but imported new cars cannot compete at this price owing to import duties and the price of Australian bodies. Argentina reports some sales of low priced new cars but a truck market that is practically paralyzed.

Even Science Adds To Farmers Burden

While New Diets, New Strains and New Machines Have Some Benefits, They Take Time to Absorb

By TRIPTOLEMUS

Recently a talk on the agricultural crisis and its relation to the present world depression was delivered before a group in Toronto. It was suggested that many business men and others, who are concerned with the immediate future of agriculture, would be interested in the material that was gathered together. It is being made the basis of a few articles.

Each article is complete in itself and covers some particular period of development of the world agricultural crisis. Three articles have already appeared and others will follow in leisurely fashion.

In the development of the post-war agricultural crisis throughout the world many very interesting phenomena have presented themselves for analysis by the economic by-stander. Some of these may be regarded as primary or contributing causes of the depression; others as results. Still other factors are difficult to place in one or other of these categories.

Some of these developments of absorbing interest may be set down briefly; and some of them may later be discussed at greater length.

Increased Production Overseas

1. The overseas countries such as United States, and Canada, that had greatly increased their production, particularly of wheat and other cereals during the war, strove not only to maintain their new levels of production, but to break new acres, mark out new farms and go on to larger and larger accomplishments. Canada, which had planted 17,000,000 acres of spring wheat in the last year of the war, planted 25,000,000 acres in 1929. The key-note speaker at the U. S. Republican convention in 1920 said: "Particularly should every effort be made to increase the productivity of the farmers."

2. Europe began immediately after the war to re-establish its battle-scarred farm productivity. In their peasant economy, it was essential that farming regain the position it had lost during the war. Europe found itself in debt to America and it found moreover that the creditor nation had an idea that the debts should be paid in something other than agricultural produce. It was essential that Europe reduce its purchases and intensive production of food at home offered one way to build up favorable trade balances. Hence there were created wheat quotas, high tariffs, milling restriction, etc., all designed to keep out overseas food products.

Attempts to Avoid Shock of Collapse

3. As prices collapsed from the inflated post-war peaks, the shocked producers in overseas countries strove, by every artificial means their ingenuity could devise, to stave off the incidence of price collapse. There were the wheat board and the wheat pool in Canada; agricultural stabilization plans in the United States; coffee, silk, cocoa, and other valorization plans in nearly every country and touching nearly every farm product. These were simply attempts at conscious control of economic prices and in every case they failed exactly as they were destined to fail from the start. The steps that were taken in the leading export countries to arrest the slump in the prices received by farmers or to enable them to avoid the consequent losses entailed, did much more to aggravate the acute distress in world agriculture than to relieve it.

4. Russia dropped out of world agricultural export during the war but it came back, and as a most serious type of competitor, after the war. Wheat, flax, poultry, eggs, butter, etc., were cash to Russia and cash was what the Soviet rebuilders needed most.

Change in People's Food Habits

5. The food habits of the world have been changing. The economist who said that a man can not eat bread when his stomach is full of spinach over-simplified the tendency but he saw the effect on traditional farming methods of new dietary notions. People eat less as machinery takes up the burden of muscular effort.

But there are other changes in consumption habits going on that are not related to the advance of dietetics as a science. The items that make up the diet of the masses change as their standard of living changes and the total quantity of food they consume alters with their buying power. Europe and England had only to cut out one slice of bread in five to become completely independent of wheat imports from abroad. Milk, eggs, butter, cheese, bacon, meat, sugar, wine, fruit, fresh vegetables are rapidly reduced in the diet of people whose incomes are cut.

All these changes in dietary habits and in the selection of foods tend to intensify the effect upon agriculture of even moderate fluctuations in general world prosperity.

Technical Progress of Agriculture

5. The technical progress of agriculture has undoubtedly reduced the cost of production of farm products the world over but, in the confusion and disorganization caused by the war, improvements in technical methods have yet brought little net dollars and cents benefit to the farmers.

The increased use of machinery has enabled larger areas to be cultivated by individual farmers and there has been a net increase in productivity per farm owner or worker.

The development of fertilizers has increased the productivity per acre.

Vast acreages of marginal lands, such as in the northern fringe of Canada's prairies, have been made to produce bountifully through the introduction of new strains of wheat maturing in shorter periods.

Losses from drought, rust, etc., have been reduced through similar research or scientific lines.

Gasoline Replaces Oats

6. The use of tractors, combines and modern machinery, that encourages production on a large scale, has another effect. The field that was formerly used to raise oats for the farmer's beasts of burden now produces wheat or rye since the tractor eats no oats and obtains its fuel from the gasoline tank at the nearest station. The horse-drawn farm wagon has been replaced on a wide scale by the motor truck.

A similar tendency in urban life has had far-reaching effects on farm income. Our streets are thick with motor vehicles; the occasional horse-drawn carriage or truck is a nuisance to traffic. But while Texas and Peruvian oilfields are busy supplying fuel for mechanical power, millions of acres required to produce "fuel" for the horses of yesteryear are now available to produce food for mankind.

As the League of Nations report on agriculture says:

> "Technical progress in farming, which has been proceeding since the war at an ever-increasing pace, and which it would be foolish to resist, amply counterbalances the normal effect which the low level of prices should have of diminishing the volume of production. This progress and the bringing into cultivation of new land has increased the production of the wealth of the soil. It has led to a development which chance events, such as war, may have disguised for years and which more normal conditions have brought to light. By its effect upon the market and on the price of products, it has largely contributed to the agricultural crisis."

All of these factors have acutely intensified the difficulties of the post-war period of agricultural readjustment.

They are part of the cause of present agricultural bankruptcy and they have helped to make almost unbearable the twin burdens of debts and taxes, which we shall have to discuss in another article.

Thrift Stores Sales Record Slight Gain

From Our Own Correspondent

MONTREAL. — Sales of Thrift Stores in the nine weeks ended June 11, totalled $708,600 compared with $685,604 in the same period last year. The gain is encouraging in view of the decline in commodity prices.

Thrift Stores, it is stated, are attracting a new class of customers. These comprise people who formerly were not concerned with the price appeal offer, but who now through force of circumstances, study price comparisons with attention.

There are 67 units of the company in operation in Montreal compared with 31 retail grocery stores at the company's inception in 1929. Earnings in the fiscal year ended March 31, 1932, were $107,131 compared with $95,780 in the previous year. Preferred dividend requirements were covered and there remained profits equal to $1.91 a share on the common stock. This compared with $1.30 a share in the preceding period.

National Breweries Builds New Warehouse

From Our Own Correspondent

MONTREAL. — National Breweries is erecting a modern beverage distributing warehouse in St. Agathe to accommodate the Laurentian trade. Hitherto, the company has maintained an agency at this point but is now undertaking its own distribution.

The company is entering its busiest season of the year but it is too early as yet to make an estimate regarding the sales There has been an increase of 5 cents a dozen quarts in prices this year, which, it is stated, has been effected to take care of increased taxation charges. Earnings in 1931 were equal to $1.73 a share compared with dividend requirements of $1.60.

May Business Failures Have Greater Liabilities

Liabilities of business failures in Canada during May were slightly greater than in the previous month but the number was less than in any month this year and one less than in May, 1931, according to Bradstreet's. There were 195 failures with liabilities of $3,213,000 in May, 1932, compared with 228 with liabilities of $3,157,000 in the previous month and 196 with liabilities of $2,775,550 in May, 1931.

Only wholesale and jobbing, among the five groups, had a larger number of insolvencies than in April. In the retail group there were 134 failures as against 159 in April and 138 in May last year; this group accounted for the largest amount of liabilities although the latter were less than in any month this year except February.

Liabilities in the manufacturing group accounted entirely for the increase in total liabilities over the previous month, as this group had $988,000 against $665,000 in April.

Total liabilities for the first five months of the year were $20,175,000 as against $17,445,000 for the first five months of 1931. Number of failures, however, was less, being 1,124 compared with 1,157.

Canadian Converters Maintains Dividend Rate

From Our Own Correspondent

MONTREAL.—Following the annual general meeting of shareholders of Canadian Converters Co., directors declared a dividend of half of one per cent for the quarter ending July 31, thereby maintaining the former rate of two per cent annually. Earnings in the fiscal year ended April 30, 1932, were equal to $104 a share on the common.

The meeting was routine in character and directors were re-elected without change.

CONFERENCE PLANS OF BEEF GROWERS UNDER DISCUSSION

Western Stock Growers Meet at Lethbridge For First Time

From Our Own Correspondent

LETHBRIDGE.—That the interests of western livestock will be ably taken care of at the approaching Imperial economic conference at Ottawa was the message brought by Senator Dan E. Riley to the annual convention of the Western Canada Stock Growers Assoc. at Lethbridge, last week. The Council of Western Beef Producers, the Saskatchewan beef growers' association, the Canadian livestock commissioner in Great Britain are all preparing briefs for presentation at the conference, the meeting was told. These will be co-ordinated in the effort to extend the market for Canadian beef in the British market.

The annual convention of the association, pioneer cattlemen's organization of Western Canada, was held in Lethbridge this year. In going to Lethbridge, heart of the famous Red Label beef movement, the ranchers returned to the cradle of stockraising in the Province of Alberta. It was the first convention held south of Calgary and started a movement to change the venue of the annual meetings from year to year. In line with this policy it is considered likely the next convention will be held in Medicine Hat.

Lease Policy Announced

An important announcement was made by John Harvie, deputy minister of lands and mines. Mr. Harvie said the 21-year lease policy will be followed by the province and a general survey of range conditions are being made by an advisory board consisting of Dr. Wallace of the University, R. J. Dinning, and Prof. Wyatt, soil expert. This committee will report in July, but prior to that time it will meet the directors of the stock growers association. When its recommendations are received the government range policy will be set. It is planned to classify the 3,500,000 acres of leased land in the province as to its carrying capacity, grazing fees, etc. It was urged by Rod Macleay that the foothills' ranges be classified as carefully as the land in the short grass country.

That the government plans to make a test shipment of cattle to the Old Country via the Hudson's Bay route was announced.

OGILVIE FLOUR PREFERRED NOW SENIOR SECURITY

Redemption of Bonds Strengthens Position of Common

From Our Own Correspondent

MONTREAL. — Ogilvie Flour Mills Co. has redeemed its entire funded debt, totalling $2,350,000 and the company's seven per cent preferred stock, of which there is $2,000,000 issued now comprises the senior security in the hands of the public.

The company had three bond issues outstanding, all bearing interest at six per cent and all maturing June 1, 1932. These have now been paid off in cash, thereby freeing the company of all funded debt.

No official information regarding earnings in the fiscal year which ends August 31, 1932, has been made available. In view of the continued decline in exports of Canadian flour to date, indications are that profits will show little or no improvement over last year.

Earned Dividends Last Year

In the fiscal period ended August 31, 1931, net profit was $755,149 compared with $1,127,436 in the previous year. This was sufficient to cover preferred and common dividends, leaving a surplus of $15,149. For the first time in several years, however, no bonus distribution was made on the common. During the current year dividends have been maintained at the rate of eight per cent.

Ogilvie Milling common is pegged on the Montreal Stock Exchange at 185. The preferred is traded in a free market with quotations approximating 95.

Dominion Coal Output Off Sharply in April

From Our Own Correspondent

MONTREAL.—Output of the three Dominion Coal Co. collieries at Springhill, N.S., during April was only 24,274 tons, which was 21,394 tons less than the previous month's output and lower than the corresponding month of last year by 18,836 tons. No returns for May are yet available, but prospects at the beginning of the month were not any too bright

Manitoba Farm Owners

The latest reports show that 73.8 per cent of Manitoba farms are operated by the owner, 17.5 per cent are rented and 8.7 per cent are part owned and part rented. The percentage of owned farms in Saskatchewan is 66.2 and in Alberta 70.6.

Peter used to be home every night at six, but then the firm sent him out on the road. It was what he had been working for, but how he and Marion dreaded being apart all week!

The very first Monday night, Peter was so blue and lonely that he telephoned home. "Extravagant," he told himself, but when he paid the bill he found it was only the price of a magazine or a package of cigarettes.

And now, their troubles are over. Every Tuesday and Thursday at 8.30, when night rates begin, Peter calls home. They are the hours Marion waits for to break the week, and the few cents the calls cost pay big dividends because Peter has a freer mind for his new job.

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He schemed to seize control of its mineral resources —to gain command of its entire mining industry.

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Brokers and public alike were snared in his net.

And then—*Fate stepped in!*

His dupes went to the penitentiary, but he . . . ?

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Imperial Conference Holds Centre of Stage For Textile Industry

Operators Busy Collecting Data for Use at Parley

PRIOR NEGOTIATIONS

Lancashire Group Arrive to Discuss Situation With Canadian Producers

The forthcoming Imperial Conference may have a vital bearing on the future of the Canadian textile industry. All branches of the trade are busy collecting data and information and discussions on textiles are expected to play an important part in the parley as a whole.

The first tangible move in the cotton industry toward preparing ground for the conference is a visit of certain Lancashire interests to Canada and their discussions with cotton manufacturers. This delegation from Lancashire, however, came entirely of its own volition but the trip to Canada has undoubtedly given Canadian cotton interests an excellent opportunity for presenting a clearer and more decisive case to the Conference.

Not Official Visit

The Lancashire visitors have not been sponsored by the British government. Any message they bring will not bear the official seal of London's approval. They have come to Canada as business men to study conditions and to gain a first-hand knowledge of the situation as it exists in the Canadian cotton industry today.

But it is possible that results arising out of their visit will have far reaching effects, for it is thought that one of the subjects which will be brought up in the round table talks will be tentative suggestions for the working out of a system of complementary production between Canadian and British and Canadian cotton mills.

Everyone is well acquainted with the present situation in the field of cotton manufacturing. World wide over production and declining commodity prices have resulted in a vast surplus of goods saleable at prices closely corresponding to cost of production or even less than cost. Canada, with relatively high cost labor, has been subjected to severe competition from imported goods both from the United States and Great Britain.

Lapse From Gold

This competition has been further increased by Great Britain's lapse from the gold standard and the subsequent drop in its currency values. Canadian manufacturers have received additional protection both through increased tariffs and through the placing of a fixed rate on the pound sterling for valuation of custom duties, but even this has not stemmed the tide of imported goods from Great Britain. One Canadian manufacturer recently cited a case where an English manufacturer was able to lay down a certain material at around six cents a pound whereas it cost the Canadian mills nine cents a pound to produce the same fabric.

This very case may be taken as a good example of what might be accomplished through establishment of a complementary system of production. Under such a plan, which has been worked out in a satisfactory manner by the British and Canadian steel industries, British cotton makers would stay out of the market on certain lines that can be produced to better advantage in Canada while in return they would seek reduced tariffs on other items, such as the fabric referred to above, which could be better manufactured in England.

Worked out along equable lines many see benefits arising from such a plan. Proponents of a complementary system in the textile industry point out that it would be better to have these low-priced imported lines given a preferential duty in Canada rather than an attempt be made to shut them out by higher tariffs.

In return the Canadian manufacturer would be granted immunity from competition in certain other lines a policy which, it is thought, would result in a freer movement of goods and a tendency to cut down the tariff walls which are presently strangling trade throughout the world and within the Empire.

May Resume Discussion

Original discussions touching on establishment of a complementary system are reported to have broken down. British manufacturers put forward their ideas but the Canadian cotton interests, it is said, failed to come to an agreement and negotiations were broken off. Now, however, the Lancashire delegates are visiting Canada and indications are that these negotiations, consummation of which might be of vital importance to the cotton industry as a whole, will be resumed.

Naturally English cotton mills can produce their goods at a lower cost than Canadian. In the first place the majority of Lancashire mills have passed through a succession of bankruptcies as a result of unprecedented world conditions in the cotton industry. The English manufacturer had no tariff walls to protect him and to bring his company in line with the prevailing situation there was nothing to do but to make an assignment, revamp the capital structure, and start again.

The result has been that such bankruptcies have cut down the burden of many English mills' fixed charges substantially. Labor costs, also, are lower in England and the selling price of the finished product reflects these factors.

Structures Are Maintained

But in Canada there has been no paring down of capital structures by the leading cotton manufacturing companies. Wages have not been lowered to the extent they have been in other countries and prices necessarily must reflect in some lines the higher cost of production. Competition from lower priced imported goods has been almost intolerable and the Canadian companies have only been able to maintain their positions by increased efficiency, and through protection afforded by increased tariffs.

Thus the Imperial Conference, seeking as it does to establish greater Empire unity and increased trade between British countries, must inevitably discuss very fully the situation surrounding the cotton textile industry. For the industry has been dependent particularly on tariff protection directed against British goods, and doubtless this will provide substantial grounds for discussion at the conference.

World Conditions Hit Domestic Trade

During the last two years there has undoubtedly been a large over-production of all cotton textiles throughout the entire world. Japan, which until lately has not been a serious factor in the production of cotton goods, has now captured a large part of the former British export market, particularly in Asia. Also, the manufacture of cotton fabrics in India, especially of cheaper grades for local consumption, has been increasing steadily of late years. This market was also formerly supplied from British mills and the resultant effect has been intensified competition with British manufacturers and all other markets. As a consequence, Canadian mills have felt the effect of the distressed conditions in the Lancashire district.

Textile Mills Have Large Payroll

One of the most staple forms of employment in Canada is provided by textile companies. Though plant operations have been somewhat restricted in the past two years, mills are still running at a fair rate and weekly payrolls run into large figures. In many centres the textile mill provides the major means of support for the entire community.

WOOL TEXTILE MILLS BUSIER, HOPES HIGHER

Protection Increases Employment—British Imports Also Go Up

EMPIRE TRADE

Canadian Industry Thinks Displacing Foreign Imports Gives Large Field for Expansion

Very substantial increases were reported throughout Canada in 1931 in the production of yarns, woollen and worsted cloths and all classes of socks and stockings. Increased protection gave greater employment to Canadian workers and, when the British pound went off the gold standard, the orders in council — providing against neutralization of duties by depreciated exchange protected the wage scale of 82,354 Canadian textile workers, of which 54,134 are employed in the primary textile industries producing manufactures from silk, wool, cotton and artificial silk and 28,200 in the women's and men's factory clothing industries.

The foregoing figures were given by M. B. Holton, president, Canadian Woollen and Knit Goods Manufacturers Association in his address at the annual meeting in November last. He calculated the difference between the pound and the dollar at that time to be the same as a reduction of about 10 per cent in the wage and service content of goods imported from Great Britain into Canada; that is, $4.40 of Canadian money would buy $4.86 worth of labor and service in England.

British Mills Can Expand

No industry in Canada has a greater interest in the Imperial Economic Conference in Ottawa in July than the woollen industry. At the official convention Mr. Holton pointed out that the United Kingdom can by protection secure about $450,000,000 of new business within its own borders by protecting its textile industries against foreign imports and that the British mills already export to Canada increasing volume of textile goods. Canada imports, he said, $63,000,000 worth of manufactured textiles so that Canada and Great Britain together provide a potential market of half a billion dollars now going to foreign labor and enterprise.

Has Not Hurt Canadians

A bulletin issued on February 9, 1932, by the same association points out that British mills had 73 per cent of the total of Canadian imports during the last nine months of 1931, 75 per cent in the last quarter of 1931 and 81 per cent in December. The Financial Post understands that the increasing trend to British goods as compared with foreign goods has persisted during 1932 and not to the detriment of Canadian manufacturers which have also improved production and displaced imports from other than Empire countries.

Dominion Bureau of Statistics estimated the total imports of wool and its products to Canada in 1930 at $39,345,915, of which $29,156,372 came from the United Kingdom, $2,481,309 from the United States, $2,550,897 from France, $1,512,483 from Germany and the rest from other countries. The selling value of goods produced by Canadian mills was shown at $27,497,530 for 1930, about $8,000,000 less than in 1929 for 116 establishments capitalized at $42,481,432, employing 7,710, paying salaries of $6,812,507 and buying raw materials for $14,081,829.

Of the imports tweeds in 1930 stood high at $2,317,000, woven fabrics composed wholly or in part of wool stood higher at $3,792,688 and worsteds and serges were highest at $9,808,552.

Figures as to production, of course, do not include the production of wool by sheep farmers at 21,016,000 pounds, worth $2,500,000 compared with nearly 20,300,000 pounds worth $4,000,000 in 1929. Much of this production was bought locally in 1931 due to falling demand in foreign markets. In addition Canadian mills imported 2,501,761 pounds of wool in the grease, 5,054,399 pounds of wool washed or scoured, 5,580,406 pounds of worsted tops, 4,500,000 pounds of yarns and warps and many other products which had further manufacturing in Canada.

1930 Was Disappointing

Of the 116 companies reporting to the Dominion Bureau of Statistics 79 are in Ontario, 16 in Quebec, eight in New Brunswick, six in Nova Scotia and seven in British Columbia and the Prairie Provinces. They included 46 woollen cloth mills with a capital investment of $20,202,796, 19 establishments making carpets, mats and rugs with a capitalization of $6,628,481 and 25 establishments for other products with a capital investment of $8,476,055.

The year 1930 had been a disappointing one in the industry. There was intense price competition from Great Britain and the European continent because of depressed conditions there. Wages in European mills were much lower and differences were accentuated by mass production and night shifts there. The Canadian week was then from 48 to 55 hours.

In 1931 Canadian mills increased greatly their manufacture of women's wear while men's wear manufacture about held its own. Yarn spinners were fully employed and worked night shifts in many cases with the result that imports dropped except for a 30 per cent increase in imports of tops.

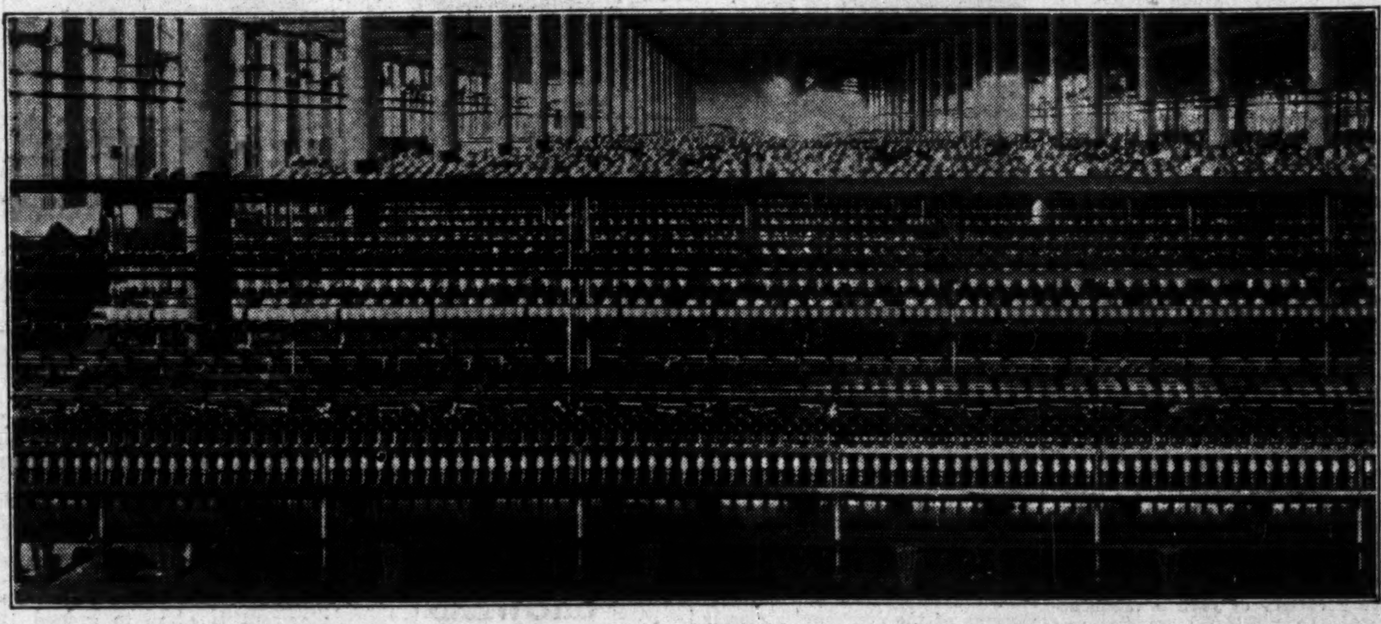
In 1931 Canada bought from Great Britain more wool tops than from any country in the world, more woollen cloth than from any other country, more worsted cloth than from any other country, more yarn than from any country except Germany and more socks and stockings than from any country except the Irish Free State and the United States.

In spite of the depreciated currency legislation those in the industry judge that British plants have not lost all the 10 per cent advantage given them by the decline in the exchange value of the pound.

The average wage in the wool textile industries of Great Britain for everybody employed, including foremen, overseers, skilled and unskilled labor, male and female, when translated into Canadian dollars, is stated to be less than the minimum wage which has to be paid for unskilled female help under the minimum wage law of Ontario and Quebec. The expected increase in cost of production for British mills did not materialize. Materials did increase for two months but are now where they were. Of Canada's total imports from Great Britain 14.7 per cent represent wool or its manufactures.

Canada's exports are not great in wool and its manufactures, being only $2,135,082 in 1929 and $1,120,122 in 1930. More than half go to the United States, 8.5 per cent to the United Kingdom and 34.4 per cent to other countries.

Millions of Capital Invested in Textile Establishments



Capital investment in the Canadian cotton textile industry at the end of 1930 amounted to over $87,500,000. For the most part investors have fared well over a period of years since policies adopted by leading cotton manufacturers have been conservative as regards accounting. But substantial sums have been involved each year in adding to existing equipment for executives are quick to sense the need of modern methods. Above is a picture of machinery installed in one of the largest cotton mills.

Canadian Operators Withstand Pressure Low Textile Prices

Continued Decline in Values Bring Problems

NO BOTTOM YET

Readjustment of Inventory Values Cuts Heavily Into Earnings of Producers

Unheard of declines in commodity prices, vagaries of exchange and general restriction in industrial activity have brought the problems encountered by the textile industry in the past few years to a critical point. Formerly the position of the cotton and wool trades was bad enough, but the continual necessity of writing down inventory values in the past three years has added still further to the burden which the textile industry in Canada has had to bear.

Competition from imported goods, though stemmed to some extent by wide revision of tariff schedules in 1930, still remains keen. Great Britain's lapse from the gold standard and the subsequent decline in its currency, laid the Canadian market open to substantial shipments from that country while purchases of raw material from the United States, whose currency is at a premium, makes for difficulties in that direction as well.

Combat Currency Decline

Steps have been taken, through the establishment of a fixed rate for the pound sterling for valuation of customs duties, to offset the advantage gained by Great Britain through its currency drop. But that country still remains a low cost producer and competition from its shipments of textile goods is a discomforting factor in the Canadian textile trade.

Though these outside sources have proved and continue to prove a problem to the Canadian cotton industry they represent circumstances over which some control is still available. But in the decline of the price level, the textile industry has its worst enemy for here is a factor over which there is no control.

New Low Levels

Raw silk, cotton and wool have all come tumbling down from the values of 1929 to levels which were thought impossible. Raw cotton reached a new low level for all time in June, 1932. November futures touched 4.98 cents, the lowest in 34 years, and middling spot quotations reached the lowest level in the history of the New York Cotton Exchange.

It is to the credit of the Canadian textile industry that the greater number of mills have been able to survive this burden inflicted on their resources. All of the big four in the cotton trade are intact, two are maintaining regular dividends on the same basis as in 1929, and the other two are maintaining a sound position and are meeting their fixed charges. This has been no mean accomplishment, for in the past few years raw cotton has dropped from 16 cents a pound to six cents a pound and there is no sign of a strengthening market at present.

Silk Problem Faced

Much the same situation has prevailed in the silk manufacturing industry. But this division of the textile trade has one advantage: demand for its products is increasing rapidly while requirements of cotton goods are tending to show a gradual decline. But silk manufacturers have had to cut their inventory valuations ruthlessly and operate on a slim margin of profit. The leaders in this industry, too, have been able to maintain their positions, though raw silk has sold at new low levels in history.

Cotton and woollen manufacturers have been affected more by restricted industrial activity than has been the case in the silk trade. Silks are primarily used for wearing apparel and the trend of fashion has swung widely round in its favor. But a substantial portion of the cotton and woollen mills' output is affected directly by the situation prevailing in other industries. For example, motor car manufacturers are large purchasers of plush and similar goods used in upholstery. Output of cars has shown a marked decline with a resultant drop in the needs demanded from the textile mills. Mining, shipping and the mechanical trades, all large users of textile material, have lowered their rate of activity to unheard of levels resulting in lessened consumption of goods formerly supplied by the cotton and woollen mills.

Efficiency is Increased

The old saying that it is an ill wind that blows nobody any good has been exemplified in the Canadian textile trade in the past two years. Faced with vexed problems all companies have devoted unceasing effort toward stimulating sales and increasing efficiency. It has been said that the industry as a whole in the past has been too greatly dependent on tariff protection. True, it has recently been afforded additional protection but this alone has not been sufficient to keep the industry alive. All mills in all divisions have had to work out ways and means of cutting costs, speeding production and making their product more attractive to the public. This has resulted in a general broadening out in designs of materials both in pattern and manufacture which have placed Canadian mills in a stronger position.

Production is Diversified

Mills have also been encouraged to diversify their production and enter new fields of endeavor. Silk and cotton companies have added to their lines, widened their range of production and embarked on new efforts with a view to keeping their plants operating at the highest possible level.

In short, though the textile industry has been faced with hard times it has also improved itself substantially from within, there can be no doubt that today the operating position of the industry and its efficiency is better than it ever has been before.

Efficiency Helps Textile Industry

Physical condition of Canadian cotton textile mills has been maintained to a remarkable degree during the last two years. In fact, the continued operation under the unfavorable existing conditions has been due in a very large measure to efficiency of machinery and equipment, and to merchandising and marketing methods.

All out-of-date and obsolete machinery and equipment is being rapidly replaced by the most modern available and Canadian mills are now in a position to produce merchandise which is not only equal to, but in many cases superior to the imported article.

REGENT KNITTING

Business Shows Pick-up — Booked Orders Gain in Early Period

Considerable activity in most departments of Regent Knitting Mills is reported at present and orders booked in the first quarter of 1932 compared favorably with those of the previous year, though value of goods was lower. In 1931, net sales decreased 13 per cent; inventories decreased 28 per cent; bank loans were reduced by $60,000 to $330,000 and $71,600 of first mortgage bonds were redeemed.

Though this resulted in some improvement in balance sheet position, net earnings last year showed a further decrease from 1930, and there was a deficit after all charges. There are, however, some factors which make the outlook more encouraging for the current year. Early in 1931, directors retained the services of industrial engineers to make a survey, and eventually made a contract to reorganize the company's plant which is located at St. Jerome. By the middle of the year conditions changed with the result that the last four months of the year were profitable, and officials feel that the full effect of these changes and improvements will show more during 1932.

The company manufactures woollen, worsted and knitted goods, while a cotton spinning mill is also operated by the company at Guelph.

Capitalization—

	Authorized	Issued
Common .... (No par value).	100,000 shs.	65,009 shs.
Preferred .... (Par value $25).	$400,000	$400,000

Preferred—Entitled to a dividend of $1.60 per share per annum.
Convertible into common, up to Jan. 1, 1933, on the basis of 2½ common shares for each 4 shares of preferred.
Redeemable after Jan. 1, 1933, on 60 days' notice at $26.25 and accrued dividends.
Equal voting rights with common shares.

Funded Debt—
First mtge. bonds, 6½ per cent, due serially, 1932 to 1935, $391,800.

Dividend Record—
None paid.

Officers and Directors—
Officers—C. G. de Tonnancour, pres.; L. Marcoux, vice-pres. and man. dir.; J. H. Panneton, vice-pres.; L. P. Bernier, sec.-treas.
Directors—C. G. de Tonnancour, L. Marcoux, J. H. Panneton, J. E. Savard, Jean Rolland, Paul Galibert, A. A. Grothe, Montreal; H. Holdroyd, Toronto.

Times Bond Interest Earned—

	1931	1930	1929
Before deprec.	†nil	1.95	nil
After deprec.	†nil	nil	nil

†After deducting other interest.

Earnings per Share—

Pref.: Earned	nil	nil	nil

No dividends have been paid.

Four Years' Earnings—

Year	Earnings	Dividends	Surplus
1928	$194,802	......	$704,877
1929	*7,736	......	606,937
1930	61,653	......	412,794
1931	19,958	......	288,845

*Loss.

Market Record—

	1931 H	1931 L	1930 H	1930 L	1929 H	1929 L
Common	8	1	6	2	35	5

Spend Large Amount

Cost of materials used by the cotton textile industry in Canada in 1930 amounted to $33,088,200, representing a decline of $16,892,612 as compared with the previous year, for which the figures were $49,980,812.

Fashions Set Import Trend For Textiles

The trend of fashion is something which industry alone cannot control, for in it is involved the trend of the mind of woman. In the past five years fashions have shown a steady movement in the direction of silk and this, coupled with declining commodity prices, has increased the demand for silk goods substantially. Low prices, of course, have had much to do with the situation. Silk, once regarded as apparel for kings alone, has now been brought to a price range where it can be purchased on bargain counters. Judy O'Grady, as well as the Colonel's lady, is able to buy silk stockings and silk dresses; the result has been that purchases of cotton goods have gradually waned, while silk mills have sprung up in profusion.

The following figures illustrate the change in the trend of fashion. Imports of raw material provide a key to manufacturing activity in the different divisions of the textile industry; figures covering these in the past five years show raw cotton imports falling steadily and raw silk imports climbing each year. Following are details:

	Raw Cotton Pounds	Raw Silk Pounds
1927	151,992,580	679,923
1928	146,925,066	938,459
1929	136,296,702	1,282,815
1930	100,314,317	1,822,870
1931	94,827,051	2,260,243

STANFIELD'S

Old Established Maritime Concern Has Decline in Profits

Stanfield's, Ltd., is one of the oldest textile companies in the Dominion. The original business was established in 1856 and the company's record has been one of steady progress.

In 1930, the company was sold to another organization of the same name and cash assets, amounting to $1,870,000 were distributed to shareholders. In this manner, shareholders received about $140 and one new share of preferred and one of new common stock, in exchange for each old common share held.

In common with other textile companies, Stanfield's has not fared so well lately. Earnings in 1931 fell sharply below those in the previous year but were sufficient to cover all operating and administration expenses by a margin of about $18,000.

The company is one of the leading industrial organizations in the Maritime Provinces. Its plant at Truro, N.S., has an output of woollen and rayon underwear for which a Dominion-wide market exists.

Capitalization—

	Authorized	Outstanding
Common .... No par value.	12,000 shs.	*10,000 shs.
Preferred 6% ... Par $40.	$400,000	*$400,000

*All issued to shareholders in exchange for old common shares.

Funded Debt—
Bonds $500,000 authorized, none issued.

Officers and Directors—
Officers—F. T. Stanfield, pres.; Hon. John Stanfield, vice-pres.; H. F. Bethel, sec.; E. H. Abbott, treas.
Directors—Hon. John Stanfield, F. T. Stanfield, C. E. Stanfield, J. F. Fraser, A. S. Black, A. J. Campbell, H. F. Bethel.

Fewer Cotton Mills

There were 77 cotton textile mills in operation throughout Canada in 1930, being a decrease of three from the number operating in 1929, two plants discontinuing operations in Quebec and one in Ontario.

Modern Equipment Cuts Costs

Imports from Great Britain and foreign countries have provided keen competition for Canadian textile manufacturers. By reorganizing operations and using up-to-date equipment the Canadian companies have been able to maintain their positions.

SILK MILLS TAKE LEAD IN ACTIVITY

Only Branch of Textile Industry to Operate Near Capacity

MARKED GROWTH

Capital Invested Gains Over 1,272 Per Cent During Last Fifteen Years

One of the most encouraging features in the Canadian textile industry is the high level of activity which has been maintained by silk mills in the past year. Plants have been operated virtually at capacity, employment has been well maintained and output has been widely increased.

But despite this satisfactory rate of plant activity, earnings, in most cases, are only sufficient to cover operating charges by a relatively small margin. For the most part, public investment interest in smaller mills is negligible, and their financial statements are not published, but among the larger producers which release figures on earnings, substantial decreases have been reported in the last two years, though output has been comparatively well maintained.

Raw Silk Values Low

The reason for this unprofitable state of affairs is due to two things, very keen competition, and continued declines in raw silk values. Over the past few years, the trend of public favor has been more and more toward silk, and taking advantage of this situation, numerous mills have been erected, total production has increased, and the natural result has been a scramble for markets.

In addition to the price cutting which has become apparent, raw silk has declined to unprecedented levels. Inventories have had to be written down each year, and selling prices have been steadily reduced to bring them into line with prevailing values.

Government figures covering 1930, the latest available, disclose the wide expansion undertaken in the silk industry. That year saw new production records established, a further gain in number of employees, capital invested and the amount paid in salaries and wages. Value of production was $17,808,588, an increase of over $3,000,000, compared with 1929 and represented the output of 25 establishments, a gain of 2 over the previous year.

Remarkable Progress

The remarkable progress made by the industry since 1917, when it comprised nine establishments is summarized in the following: during this period the number of establishments increased 178 per cent, capital invested, 1,272 per cent, employees 554 per cent, and gross value of products, 651 per cent.

Compare this with figures covering output of textiles and textile products in the aggregate. This showed a decline of 15 per cent in 1930, but output of silk, artificial silk, and products showed an increase of 18 per cent over the 1929 figure.

Again, the total number of employees in the textile industry as a whole showed a decrease of 5.2 per cent in 1930. In the silk industry, however, the number of employees increased by over 25 per cent. This employment tabulation gives an accurate idea of conditions in the industry since value of production, reflecting, as it does, prevailing commodity prices, is apt to be somewhat misleading.

Take Opposite Trend

It is thus shown, that though the textile industry as a whole showed declines in its various divisions, the silk and artificial silk industry was able to record substantial gains in a year when its confrères were more or less in the doldrums.

Figures on imports of raw silk show the trend of merchandising in this direction. Sharp increases have been reported in the past few years while activities of the artificial silk industry, in particular, have shown marked gains. Cotton manufacturers have taken steps to combat these inroads into their business by adding many lines of artificial silk weaves to their output.

Imports Raw Material

A comparison of imports of raw silk over the past five years shows the increasing demand for this form of material.

	Pounds
1927	679,923
1928	938,459
1929	1,282,815
1930	1,822,870
1931	2,260,243

Tariff Protection Helps

Indicating that Canadian silk mills are securing a larger proportion of the domestic business, due to tariff protection, imports of woven fabrics of silk declined in 1931, in face of higher imports of raw materials. For instance, in 1931, imports of woven fabrics, in the gum, were but 535,250 yards compared with 3,667,586 yards in the previous year. Imports of silk stockings fell from 40,014 dozen pairs in 1930 to 4,758 dozen pairs last year.

Produce Wide Variety

At present the Canadian cotton industry is producing a wide variety of staple cottons and is quite capable of supplying the entire domestic requirements for such goods. There are exceptions of certain lines of specialty cotton articles for which there is a very limited demand.

Cotton Imports Decline

Imports of cotton textiles into Canada showed a decided decrease in 1930. In that year they amounted to $40,061,699 in value, a decline of $21,420,157 from the 1929 figure when the value was $61,481,856. This sharp drop was largely due to the decline in the value of raw materials.

DOMINION TEXTILE

Company Maintains Satisfactory Position in Face of Difficulties Confronting Industry — Interested in Imperial Conference Outcome

Faced with unprecedented declines in raw cotton values, contracted purchasing power, and vagaries of currency exchange, Dominion Textile Co., leading cotton manufacturer in Canada, has to date been able to maintain dividend payments without change. Gross sales, due to lower values, have shown marked reductions in the past few years with a subsequent decline in net earnings from operations, but the company's substantial investments built up in more prosperous periods in the past have yielded a sum sufficient to enable the company to cover its dividend charges.

This record is noteworthy in face of the industrial situation which has prevailed in the past three years. But the company has pursued conservative policies in the past, there has been no increase in fixed charges since 1919 when presently outstanding bonds were issued, while large sums have consistently been ploughed back into property with subsequent increased efficiency resulting from the installation of new equipment.

Review of Operations

At the present time plants are relatively well engaged; the print works at Magog are especially active. But even capacity operations in cotton mills today do not indicate substantial profits. Selling prices are at extremely low levels; hand-to-mouth buying tends to hamper smooth production schedules, while the ever-present bugbear of lower commodity prices hovers over activity like a dark cloud.

An idea of the tremendous problem which Dominion Textile Co. has to face in regard to raw cotton values is seen in comparative figures for raw cotton in the past two years. In the opening months of the company's fiscal year, which began April 1, 1930, cotton sold at 16.79 cents a pound. At the close of the year ended March 31, 1931, it had dropped to 10.68 cents and at the end of March, 1932, was quoted 6.2 cents a pound. The effect of these fluctuations on inventories is obvious.

One advantage which Dominion Textile Co. has is the fact that it maintains its own purchasing department in the Southern States. In this manner it is able to keep in close touch with the vagaries of the raw cotton market and is possibly able to buy to better advantage than some of its competitors.

Effect of Tariff

As regards the operations of the tariff, Dominion Textile Co., together with other cotton manufacturers, has benefitted in a negative way. That is, a bad situation would undoubtedly have been much worse if additional protection had not been granted to the cotton industry in Canada. But competition remains keen and imports from both Great Britain and the United States still continue to come into Canada in large quantities.

There are some lines, however, on which specific duties have been placed, which have enabled the company to definitely stimulate production. For instance, the company is obtaining a larger share of the cotton print market in Canada than it did heretofore. A minimum value of $8 a dozen has been placed on all cotton dresses imported into Canada; demand has held up well, and the result has been that the big print works at Magog have been busy for several months. Formerly, cheap print cotton dresses were imported into Canada at prices around $4 a dozen, a price with which Canadian mills could hardly compete with any profit.

This particular market is largely served by Dominion Textile Co. which operates the largest print works in the Dominion. Substantial additions have been made in recent years and the company has large sums tied up in new equipment in this plant. Various additions have been made in this division through the artificial silk weaving equipment. Production of various weaves has been stimulated by the wide demand for this type of goods and, though it is little known, Dominion Textile Co. is the largest consumer of artificial silk yarn in Canada.

Meets Changing Conditions

The ability of the company to change its production and keep pace with current demand has been a large factor in its ability to maintain its position in difficult times. Demand for cotton goods has been waning steadily for several years but Dominion Textiles was quick to see its opportunity and jumped into the manufacture of artificial silk weaves on a broad scale and retained its sales output.

Take On New Lines

Another interesting feature of the company's operations this year along these lines is its entrance into the field of manufacture of corduroy and velveteen. Through installation of the necessary equipment at Magog, the company has made a strong bid for the $1,000,000 market in these lines which, as yet, has been untouched by any other Canadian company. The special lines which will be produced have hitherto been imported, largely from the United States. Substantial protection is afforded to the new industry on the general tariff list.

Preliminary steps in the manufacture of corduroy can be undertaken in existing mills with practically no changes in the present weaving equipment; the goods will then be despatched to Magog where they will be finished into corduroy and velveteens.

Motor Needs Less

The lowering of activity in the automobile industry has found reflection in operations of Dominion Textile Co.'s tire fabric manufacturing plant. The company, through two subsidiaries, operates large sized units at Drummondville and Sherbrooke and their output has reflected the declining demand for tires necessary for new cars.

These two tire fabric companies were busy for the greater part of the 1930 year as a reflection of the boom period in the motor car industry. Profits from this source showed the potentialities of this field which the company entered only within the past three years.

Though the diversification of the company's output has always been a strong factor in its position, Dominion Textile Co. is fortunate in supplying certain large manufacturers with their basic needs. These outlets include cotton for linoleum, window shades, etc., which provide a valuable background for steady production unchanged, to a large extent, by the fashion trend.

Undoubtedly the forthcoming Imperial Conference has a substantial bearing on the company's outlook. Any changes which may be effected in the situation surrounding the industry as a whole, must directly affect Dominion Textile Co. in its position as the leader in the field. Officials have been discussing with Lancashire interests, preliminary plans and the outcome of these conferences with big English manufacturers will likely influence the trend of the brief which the textile companies will submit to the Ottawa conference.

Country's Largest Operator

The position occupied by Dominion Textiles in the industry it serves is seen in the fact that it operates eight cotton mills producing, in all, over 3,000 different lines of goods. In addition, practically every variety of yarn is manufactured. Over 538,000 spindles and 11,000 looms are installed in its factories while the company operates its own hydro electric plant at Magog, supplying power requirements at that point. In all, the company's plants utilize about 20,000 h.p. of electrical energy.

Capitalization—	Authorized	Outstanding
Common	350,000 shs.	270,000 shs.
No par value.		
Pref. 7% cum.	$2,000,000	$1,940,600
Par $100.		

Funded Debt— First and refund. mortgage 6 per cent bonds, due Sept. 1, 1949, $4,912,000. The company has guaranteed the issue of $1,600,000, 5½ per cent bonds of the Drummondville Cotton Co.

Dividend Record— Preferred—7 per cent per annum paid regularly quarterly, Jan., April, July and Oct. 15.
Common, $5 per share per annum, payable quarterly, Jan., April, July and Oct. 1. Increased from $1 to $1.25 per share for quarter beginning April 1, 1925.

Officers and Directors— Officers—Sir C. B. Gordon, chm.; F. G. Daniels, pres. and man. dir.; Sir H. S. Holt, vice-pres.; J. H. Webb, sec.-treas.; J. A. Fish, asst. sec.-treas.
Directors—J. P. Black, Sir C. B. Gordon, Sir H. S. Holt, F. G. Daniels, W. A. Black, Sir F. Williams-Taylor, J. H. Webb, Montreal, Que.

	1932	1931	1930
Times Bond Int. Earned:			
Yrs. end. Mar. 31	5.51	6.01	6.83
Earnings per Share and Div. Record:			
Pref.: Earn.	$68.72	$77.47	$91.32
Paid	7.00	7.00	7.00
Com.: Earned	4.44	5.06	6.06
Paid	5.00	5.00	5.00

Ten Years' Earnings:

Year	Earnings $	Dividends $	Surplus $
1922 ...	1,907,237	735,842	5,007,700
1924 ...	1,767,529	1,035,842	5,390,003
1925 ...	1,948,668	1,035,842	5,665,017
1926 ...	1,905,309	1,260,842	5,999,164
1927 ...	2,101,896	1,260,842	6,529,987
1928 ...	1,903,832	1,260,842	6,862,657
1929 ...	1,976,668	1,316,692	7,211,415
1930 ...	2,079,931	1,485,646	7,498,035
1931 ...	1,807,304	1,485,842	7,515,552
1932 ...	1,633,526	1,485,842	7,363,266

Market Record—

	1931 H	1931 L	1930 H	1930 L	1929 H	1929 L
Com.	83	63	87½	60½	118	74
Pref.	123	120	120	115	127	115

ACME GLOVE

Limited Demand Reflected in Operations and Earnings

Acme Glove Works, in common with the majority of industries, suffered from prevailing conditions last year. Hand to mouth buying on the part of the retail trade made it difficult to operate the plant at a profit and resulted in a contraction of over 20 per cent in sales as compared with 1930. Commodity prices took a further drop during the year and the company had to write off about $30,000 in its inventory valuation.

Further, the decline in exchange caused the company to sustain substantial losses in its purchases of American and foreign merchandise. It is fortunate, however, that it has no fixed charges to meet in United States funds, capital structure comprising stock only.

Lowering Operating Costs

Operating costs last year were materially reduced and a policy of economy is being followed. This factor should find quick reflection when conditions improve; in the meantime there is little betterment in the situation surrounding the company.

Capitalization—	Authorized	Outstanding
1st pref.	$750,000	$750,000
(Par $50).		
2nd pref.	300,000	300,000
(Par $50).		
Com. class "A" .	15,000 shs.	......
Com. class "B" .	30,000 shs.	15,000 shs.
(No par value).		

Class "A"—All reserved for the conversion of the first preferred. Non-voting.
Class "B"—12,000 shares reserved for the conversion of the second preferred. Carries one vote per share.

Funded Debt— None.

Dividend Record— First Preferred—$3.25 per annum, cumulative, payable Mar., June, Sept. and Dec. 15. Initial dividend paid June 15, 1929. Payment due Mar. 15, 1931, passed. None since.
Second Preferred—$3 per annum, non-cumulative, payable Mar., June, Sept. and Dec. 15. Initial dividend paid June 15, 1929, and regularly to and including Sept. 15, 1930; since passed.
Class "B" Common—None paid.

Officers and Directors— Officers—J. D. Ouellette, pres. and man. dir.; A. Lepine, asst. man. dir. and sec.-treas.
Directors—J. D. Ouellette, A. Lepine, H. D. Dwyer, F. G. Donaldson, I. I. Bruck, W. P. Rapley, Montreal; W. Burke, Joliette, Que.

Earnings per Share and Div. Record:

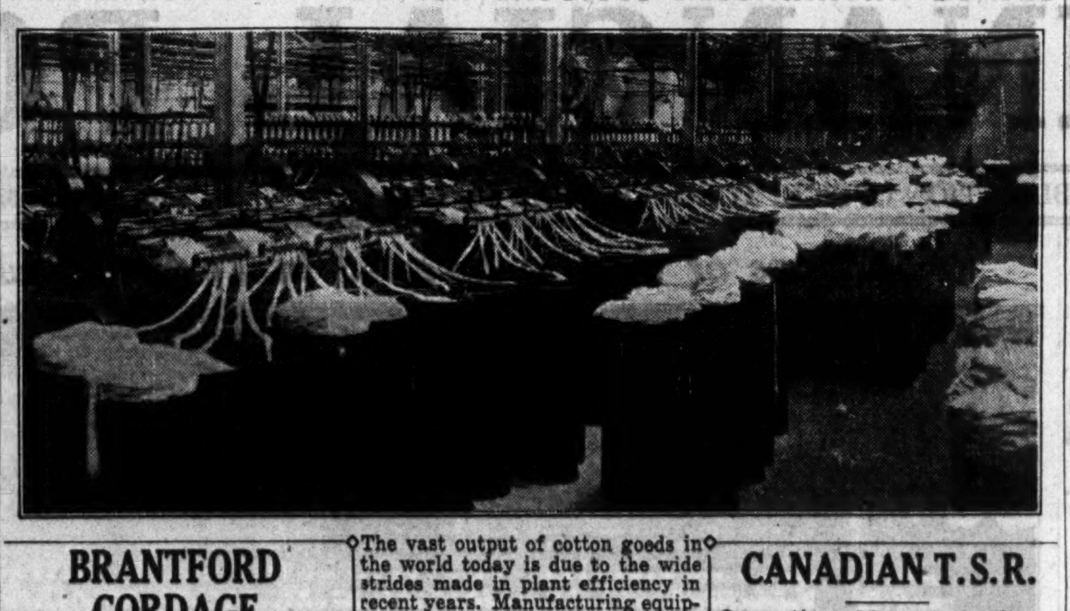
	1931	1930	1929
First pref.: Earn.	nil	nil	$6.83
Paid	nil	$3.25	2.43½
Second pref.: Earn.	nil	nil	*3.94
Paid	nil	2.25	2.25
Cl. 'B' com.: Earn.	nil	nil	†2.38
None paid.			

* Calculated after deduction of full year's first preferred dividend.
† Calculated after deduction of full year's first and second preferred dividends.

European Wages Handicap

One of the greatest handicaps to Canadian woollen manufacturers is the fact that wages paid in European mills are much lower than those paid here. Then, too, mass production coupled by the operation of mills at night, mitigates against the Canadian mills, which work approximately 48 to 54 hours per week. These circumstances permit foreign goods to be placed on the Canadian market at figures which the Canadian mills cannot compete with.

Manufacture of Cotton Involves Mechanical Genius



The vast output of cotton goods in the world today is due to the wide strides made in plant efficiency in recent years. Manufacturing equipment has been improved, new methods have been evolved and production has been speeded. Canadian cotton mills have been quick to install modern machinery. Faced with the necessity of lowering costs to meet world-wide competition, they have spared no effort to bring their equipment to a high pitch of efficiency.

BRANTFORD CORDAGE

Has Strong Liquid Position—Prospects Depend on New Grain Crop

Originally established in 1901, Brantford Cordage Co. manufactures binder twine and supplies a substantial proportion of the Canadian demand in face of foreign competition which has been the cause of other Canadian companies withdrawing from this industry. Success of the company is closely linked with conditions in Western Canada and in the year ended August 31, 1931, net earnings dropped to $20,995 from $348,876 the previous year. A normal crop of grain in the Dominion would definitely improve the company's earnings position.

Chief interest in the company lies in the 8 per cent first preferred stock on which dividends have been paid regularly although no dividends were paid on the 7 per cent second preferred stock in 1931. The company has an extremely strong working capital position and on August 31, 1931, current assets were shown at $2,287,888, of which $1,247,394 was cash, and current liabilities of $38,979.

Capitalization—	Authorized	Outstanding
Common	100,000 shs.	80,000 shs.
(No par value).		
1st pref., cum.	$2,500,000	$1,704,950
2nd pref., cum.	850,000	850,000
Shares $25 each.		

Funded Debt— None.

Dividend Record— 1st preferred $2 per annum, payable quarterly, Jan., Apr., July and Oct. 15. Initial dividend paid July, 1925, and regularly since.
2nd preferred—$1.75 per annum, cumulative, from April 15, 1925. Initial dividend of $1.75 per share paid Nov. 25, 1930.
As at Aug. 31, 1931, this issue was in arrears 36¾ per cent, or $9.18¾ a share.
Common—None paid.

Officers and Directors— Officers—W. M. Messecar, pres. and gen. mgr.; Thomas Neilson, W. C. Wells, vice-presidents; W. C. Wells, sec.-treas.
Directors—W. M. Messecar, W. C. Wells, B. E. James, Brantford, Ont.; Glyn Osler, K.C., A. E. Ames, Toronto; Thomas Neilson, Stratford.

Earnings per Share and Div. Record:

	1931	1930	1929
1st pref.: Earn.	$0.14	$4.88	$5.75
Paid	2.00	2.00	2.00
2nd pref.: Earn.	...	5.86	7.80
Paid*	1.75	...	...
Common: None paid.			

* Second preferred in arrears 36¾ per cent as at Aug. 31, 1931.

Seven Years' Earnings:

Year	Earnings $	Dividends $	Surplus $
1925 ...	627,190	40,000	779,015
1926 ...	315,128	159,005	928,931
1927 ...	*147,994	154,628	628,509
1928 ...	142,116	152,038	627,276
1929 ...	416,383	147,887	903,550
1930 ...	348,876	141,201	1,109,629
1931 ...	20,995	197,796	956,645

* Loss.

Market Record—

	1931 H	1931 L	1930 H	1930 L	1929 H	1929 L
1st pf.	22½	14	24	20	24	19

BRUCK SILK

Increase in Production Seen in Larger Earnings

Bruck Silk Mills in the fiscal year ended October 31, 1931, produced about 50 per cent greater volume of yard goods than in the preceding period. Earnings showed an improvement and the company was able to show a surplus after charges compared with a substantial deficit in the previous year.

In common with other silk manufacturers, Bruck Silk had to contend with a further decline in the market level of raw silk. This made necessary additional absorption of depreciation on inventory accounts, which were carried at $296,381.

Plant Extensions Made

The company has carried out considerable expansion at its plant in Cowanville. In 1930 capacity was almost doubled and additional extensions were made to the dyeing and printing departments during last year.

The company manufactures pure and artificial silk which it weaves into silk dress goods including canton crêpe, crêpe de chine, silk and wool crêpes, silk yarns and similar lines.

A diversification of output was achieved two years ago when the company installed equipment which enabled it to produce artificial silk goods as well as real silk. In this manner, the company has placed itself in the position to cater, at short notice, to the vagaries of public demand.

Capitalization—	Authorized	Issued
Common	100,000 shs.	100,000 shs.
No par value.		

Funded Debt— First mortgage 6½ per cent bonds due 1945, $493,700.

Dividend Record— Common—1928, nil; 1929 and 1930, 75c. per share; 1931, nil.

Officers and Directors— Officers—Isaac I. Bruck, pres. and treas.; F. G. Bush, sec.; W. P. Creagh, asst. sec.
Directors—Isaac I. Bruck, M. L. Williams, F. G. Bush, Lieut.-Col. C. N. Monsarrat, D. W. Partridge, L. S. Lee, W. P. Creagh, W. E. Dunton, C.A., Montreal; J. Shevell, New York.

	1931	1930	1929
Times Mortgage and/or Bond Interest Earned:			
Before deprec.	3.35	1.85	11.36
After deprec.	1.31	0.05	9.73
Earnings per Share and Div. Record:			
Common: Earn.	$0.08	nil	$2.80
Paid	nil	$0.75	0.75

Four Years' Earnings:

Year	Earnings $	Dividends $	Surplus $
1928 ...	246,241	......	279,418
1929 ...	395,260	75,000	484,418
1930 ...	62,743	75,000	375,560
1931 ...	111,036	......	387,927

Market Record—

	1931 H	1931 L	1930 H	1930 L	1929 H	1929 L
Com.	8	4½	26¾	9½	37½	20

CAN. CO-OP. WOOL GROWERS

1931 Operations Prove Successful — Handled More Wool

Canadian Co-operative Wool growers' associations in each of to coast and has in affiliation wool grower's associations in each of the provinces. Stock in the company is owned by wool growers.

In 1931 the company handled a total of $4,943,811 lbs. of wool compared with 5,388,983 lbs in 1930 including the carryover from the previous year which was not as great in 1931 as in 1930. In the year ended February 29, 1932, net revenue from operations was $82,305 compared with $88,872 the previous year and surplus for 1931-32 was $7,752 compared with $8,631 the previous year. Assets of the company total $272,689.

Capitalization—	Authorized	Outstanding
Stock	$200,000	$115,110
Par value $10.		

No member is allowed to hold more than 50 shares of stock.

Dividend Record— Six per cent declared for 1931; 7 per cent paid in 1930 and 1929; 8 per cent in 1928. Payable annually.

Funded Debt— None.

Officers—Col. R. McEwen, pres.; Chris. Jensen, 1st vice-pres.; S. A. Logan, 2nd vice-pres.; G. E. O'Brien, gen. mgr. and treas.; W. H. J. Tisdale, asst. gen. mgr.; G. O'Neil, sec.; B. G. Hellingdrake, wool supt.; W. W. Thomson, mgr. Man. and Sask. branch; L. V. Parent, mgr. Quebec branch; W. S. Benson, western fieldman.
Directors—Col. R. McEwan, W. A. Dryden, G. L. Telfer, Ontario; Chris. Jensen, A. W. Sharp, Alberta; S. A. Logan, Nova Scotia; J. A. McClary, Geo. Bouchard, Quebec; I. J. Rushton, Wm. Kerr, Sask.; G. Gordon, J. R. Hume, Manitoba; Geo. C. Hay, B.C.; S. Wood, New Brunswick; Wm. MacGregor, P.E.I.

Earnings per Share and Dividend Record:

Yrs. End. Feb. 28:	1932	1931	1930
Earned	$0.67	$0.75	$0.75
Paid	.60	.70	.70

ZIMMERKNIT

Reorganization Proves Partially Effective in First Year

Zimmerknit Co. was formed in January, 1931, to take over the assets of the predecessor company which had gone into receivership in August, 1930. Former bondholders, preferred and common stockholders accepted securities of the new company in exchange for their holdings and new capital was provided by sale of a new first mortgage bond issue, largely subscribed by directors of the company, and by sale of 25,000 common shares to J. Douglas Woods and associates. Management is now closely associated with that of York Knitting Mills and Woods Underwear Co.

In the first year of operation after reorganization, that ended December 31, 1931, a gross trading profit of $2,675 was shown prior to depreciation and bond interest, and the company carried forward a deficit of $32,781. Most of this deficit was incurred during the first quarter of 1931, however, and it is stated that considerable progress was made during the year in reduction of costs.

Capitalization—	Authorized	Outstanding
Common	*100,000 sh.	†65,880 sh.
No par value.		
Preferred	$250,000	$250,000
Par $100.		

*25,000 shares reserved against option to purchase at $5 a share until July 31, 1935. Also, 3,495 shares are reserved against warrants, issued to preferred shareholders of Zimmerknit, Ltd.
†37,125 shares deposited in voting trust for benefit of J. Douglas Woods and associates, who also own an additional 25,000 shares.

Funded Debt— 1st mtge. and coll. trust 6 per cent bonds, due 1951, outstanding $250,000.
2nd mtge. and coll. trust 6 per cent bonds, due 1961, outstanding $500,000.
Preferred: Entitled to 7 per cent per annum, cumulative from the beginning of the fourth year after date of issue, (Feb. 1, 1931). None paid to date.

Officers—J. D. Woods, pres.; K. W. Harvey, vice-pres.; H. W. Weis, sec.-treas.
Directors—J. D. Woods, R. A. Daly and H. W. Weis, Toronto; K. W. Harvey, St. Clair Balfour, F. J. Maw and A. V. Young, Hamilton.

CONS. INCOME AND SURPLUS ACCT. Year Ended Dec. 31, 1931

Net earnings*	$2,674
Less: Bond interest	41,227
Bond discount	1,500
Loss for year	40,053
Less: Trans. from res. set up Dec. 31, 1930, not required	7,272
Deficit carried forward	$32,781

*After operating and administrative expense but before depreciation.

Wolthausen Hat

Wolthausen Hat Corp. manufactures men's felt hats, and though the present company was incorporated in 1923, the business has been active since 1904. Products are marketed under the name of Brock, Horton, and Wolthausen. Investment interest in the company is limited.

Capitalization—	Authorized	Issued
Pref. non-cum. ..	$200,000	$200,000
Common, n.p.v. ..	4,000 shs.	4,000 shs.

Funded Debt— First mortgage, 7 per cent, due 1943, outstanding $167,000.

Dividend Record— None.

Officers and Directors— Officers—F. Wolthausen, pres.; F. D. Wolthausen, vice-pres.; S. C. Horton, sec.
Directors—F. Wolthausen, S. C. Horton, F. D. Wolthausen, H. B. Robinson, W. B. Reynolds, W. B. Comstock.

CANADIAN T.S.R.

Operations Near Capacity—Plant Production Increased

Operations of Canadian T. S. R. of Lyons are being carried on near capacity; the company is engaged in the manufacture of pure silk goods. The mill at Cap de la Madeleine was completed about two years ago but since that time various extensions have been made which have increased productive capacity by about 40 per cent. Employment is given to around 150 persons.

Though activities are being conducted on a normal basis, the continued decline in raw silk prices is not conducive to profitable operation and it is understood that the margin of profit on sales is held down to a relatively low level.

The company is a subsidiary of a large silk manufacturing organization in France, the T. S. R. of Lyons.

Investment interest in the project is negligible.

Capitalization—	Authorized	Issued
Common (shs.) ..	50,000	50,000
No par value.		
Pref. cum., 6½% ..	$500,000	$250,000

Funded Debt— First mortgage 6½ per cent bonds issued $250,000.

SUPERSILK HOSIERY

Company Maintained Production and Earnings in Year of Depression

Supersilk Hosiery Mills, established originally in 1925 to manufacture pure silk hosiery of the circular type, has expanded in sales, production and business until now it makes 12 lines of pure silk full-fashioned hosiery. From its mills at London it covers Canada and exports to New Zealand, Australia, Ireland, Trinidad, India and other foreign countries.

In 1931 the company had to encounter with all other manufacturers unsatisfactory general conditions but was able to offset in great part decreased prices by reduced operating costs and lower prices of raw materials. Sales reached $640,000 in 1931 as compared with $670,000 in 1930 but there was an actual increase in volume. Export business fell away sharply and it is hoped that the Empire parley in Ottawa in July may bring about more active movement to Empire markets.

Capitalization—	Authorized	Outstanding
1st preferred	$975,000	$600,000
Par $100.		
Common	25,000 shs.	25,000 shs.
No par value.		

Funded Debt— None.

Dividend Record— First Preferred—7 per cent per annum, cumulative, payable half-yearly, June 30 and Dec. 31. Paid regularly to date.
Common—None paid to date.

Officers and Directors— Officers—W. S. Thompson, pres.; Jas. D. Good, vice-pres.; J. G. Thompson, sec.-treas.
Directors—W. S. Thompson, J. G. Thompson, J. D. Good, W. L. Baragar, W. H. McPhillips, A. S. Thompson, A. H. Love, R. W. Robertson, all of London, Ont.; S. Mills, Hamilton.

SALES AND EARNINGS

Sales and earnings of the present and predecessor company are as follows:

Year:	Sales	†Net Profits
1925	$ 22,800	$ 864
1926	207,970	18,630
1927 (5 months ended May 31)	127,354	14,033
1928	345,234	*16,948
1929	463,639	35,250
1930‡	670,000	56,000
1931‡	640,000	61,000

*For period of 19 months ended Dec. 31, 1928.
†After depreciation and provision for doubtful accounts.
‡Figures approximate.

GUELPH CARPET

Passed Common Dividend to Conserve Cash During Difficult Period

The Guelph Carpet and Worsted Spinning Mills Ltd. passed its common dividend ordinarily due on February 1, 1932, in order to conserve the company's cash position during the dull part of its season. The regular dividend was declared on the preferred stock at the same time.

This company has two plants in Guelph, Ont., where it manufactures worsteds, weaving, machine and hand knitted yarns and Saxony, Wilton, Brussels, tapestry automobile and other carpets under the trade name "Brite Home."

Capitalization—	Authorized	Outstanding
Preferred	$2,500,000	$921,000
(Par $100).		
Common	125,000 shs.	35,000 shs.
N. p. v.		

Funded Debt— None.

Dividend Record— Preferred—6½% per annum, cumulative from May 1, 1929, and payable Feb., May, Aug., Nov. 1. Initial dividend of 1⅝% paid August 1, 1929, and regularly since.
Common—None at present. Initial payment of 25 cents per share paid Nov. 1, 1929, and regularly quarterly to and including Nov. 2, 1931; since passed.

Officers and Directors— Officers—H. Quarmby, pres.; Lt.-Col. E. Gerald Hanson, vice-pres.; B. F. Griggs, sec.-treas.
Directors — H. Quarmby, Guelph, Ont.; Lt.-Col. E. Gerald Hanson, Montreal; Boyd A. C. Caldwell, Roland O. Daly, Toronto.

Earnings per Share and Dividend Record:

	1931	1930	1929
Pref.: Earned ...	$10.61	$10.05	$5.96
Paid	6.50	6.50	1.62½
Com.: Earned ...	1.05	0.87	*0.73
Paid	1.00	1.00	Nil

*After deducting six months' preferred dividend requirements, $32,500.

BILTMORE HATS

Earnings Increased in 1931 —Working Capital is Strong

While sales of Biltmore Hats Ltd. declined somewhat in 1931 the company ended the year with higher net earnings than in any previous year and earned $12.93 per share on the 7 per cent preferred stock. The company manufactures fur felt and velour hats at its Guelph plant and has permanent sample rooms in principal cities from Montreal to Vancouver.

The company entered the current year with inventories lower than ever before and with costs well under control. At November 30, 1931, the company had current assets of $282,063 and current liabilities of $20,619. Cash on hand amounted to $32,051 and there were no bank loans.

Capitalization—	Authorized	Outstanding
Pref., cum., red.	$300,000	$286,000
Par $100.		
Com., n.p.v.	20,000 shs.	20,000 shs.

Dividend Record: Preferred—7 per cent per annum cumulative from Mar. 15, 1929, and payable Mar., June, Sept. and Dec. 15. Initial quarterly dividend paid June 15, 1929, and regularly since.
Common—None paid.

Officers and Directors— Officers—F. R. Ramsey, pres. and gen. mgr.; W. J. Tiller, vice-pres.; W. F. Franke, sec.-treas.
Directors—F. R. Ramsey, W. J. Tiller, W. F. Franke, P. Kerwin, Guelph, Ont.; A. G. A. Spence, Toronto.

Earnings per Share and Div. Record:

	1931	1930	1929
Pref.: Earned	$12.93	$11.50	$8.32
Paid	7.00	7.00	5.25
Com.: Earned‡	0.74	9.60	0.41
None paid.			

‡After provision for redemption of preferred stock.

Market Record—

	1931 H	1931 L	1930 H	1930 L	1929 H	1929 L
Com.	4½	2	10½	1½	34	16
Pref.	65	45	85	65	90	88

ONTARIO SILKNIT

Increased Net Earnings During Depression—Just Covered Pref. Dividends

Ontario Silknit, which was incorporated in 1928 under Dominion laws, was successful in 1931 in increasing its net earnings from $116,118 to $170,419. This was before depreciation, taxes and the writing down of net current assets of foreign subsidiaries to the basis of current rates of exchange. After these write-offs the preference dividend was scarcely covered.

The company manufactures "Maybelle" lingerie, dresses and other rayon products for Canada and Australia.

Capitalization—	Authorized	Outstanding
Common	100,000 shs.	40,085 shs.
(No par value).		
Preferred 7% ...	$1,500,000	$1,000,000
(Par $100).		

Funded Debt— None.

Dividend Record— Preference—Entitled to 7 per cent cumulative, per annum, payable quarterly March, June, Sept. and Dec. 15. Initial dividend of $1.75 paid Sept. 15, 1928, and regularly thereafter to Dec. 15, 1931, when deferred; none since.
Common—None paid to date.

Officers and Directors— Officers — M. H. Epstein, pres.; W. B. Milner, vice-pres.; A. R. Greene, sec.; H. Greisman, treas.
Directors—M. H. Epstein, H. Greisman, A. R. Greene, W. B. Milner, C. H. Burgess, all of Toronto.

Earnings per Share and Div. Record:

	1931	1930	1929
Pref..: Earned	§34.39	*$4.96	$21.14
Paid	5.25	7.00	7.00
Com.: Earned†	nil	nil	3.78
Earned‡ ..	nil	nil	3.53
Paid	nil	nil	nil

† Based on preference dividends paid.
‡ After allowing full year's dividends on preference shares outstanding as at Dec. 31.
* Before writing down net current assets of foreign subsidiaries to basis of current rate of exchange.
§ After writing down net current assets of foreign subsidiaries to basis of current rate of exchange.

Four Years' Earnings:

Year	Earnings $	Dividends $	Surplus $
1928 ...	229,409	29,750	136,709
1929 ...	311,359	59,920	238,206
1930 ...	116,118	70,000	112,213
1931 ...	170,419	52,500	53,647

Market Record—

	1931 H	1931 L	1930 H	1930 L	1929 H	1929 L
Com.	7	5	22	1½	40	19

COSMOS IMPERIAL

Industrial Demand Remains Slack — Company is Well Financed

Cosmos Imperial Mills Ltd., with plants at Yarmouth, N.S., and Hamilton, Ont., manufactures the heavier grades of cotton duck used for various industrial purposes, sails, awnings, etc. Operating profit reached a peak of $236,800 in 1929 and declined to $52,727 in 1931 although in the latter year other income showed substantial increase to $41,468. The company has continued to pay dividends on the 7 per cent preferred stock although earnings per share on the preferred amounted to only $5.98 in 1931.

Industrial demand has contracted considerably in the past two years and operations have been carried on at around 50 per cent of capacity to meet actual needs. Inventories have shown annual reductions since 1928. The company has been able to maintain a very strong liquid position and has added to surplus in each year since organization in 1926 with the exception of 1931.

Capitalization—	Authorized	Outstanding
Common	50,000 shs.	50,000 shs.
No par value.		
Preferred	$1,500,000	$1,330,930
Par $100.		

Funded Debt— 1st mtge. 6½% bonds, due 1944 ...... 1,000,000 — $30,400

Dividend Record— Preferred—7 per cent cumulative, payable Feb., May, Aug. and Nov. 15. Initial quarterly dividend of 1¾ per cent paid Nov., 1926.
Common—None paid.

Officers and Directors— Officers — S. H. Greene, pres.; A. V. Young, vice-pres.; W. S. Burrill, vice-pres. and gen. mgr.; E. W. B. Moody, sec. and treas.
Directors—S. H. Greene, Boston, Mass.; A. V. Young, W. S. Burrill, Hamilton; J. J. McGill, Montreal; J. E. Rousmaniere, New York; G. H. Allen, Yarmouth, N.S.; H. R. Tudhope, Toronto.

Earnings per Share and Dividend Record:

	1931	1930	1929
Pref.: Earned	$5.98	$8.97	$15.84
Paid	7.00	7.00	7.00
Common: Earned..	nil	0.57	2.34
None paid.			

Five Years' Earnings—

Year	Earnings	Dividends	Surplus
1927	$180,586	$104,559	$134,078
1928	244,977	104,084	254,811
1929	255,466	102,898	381,579
1930	135,808	101,390	409,897
1931	94,195	93,719	317,452

Market Record—

	1931 H	1931 L	1930 H	1930 L	1929 H	1929 L
Com.	9	3	21½	8½	28½	15
Pref.	93	65	*97½	91½	101	95½

Head Office and Mills, Valleyfield, Que.

A Great Textile Enterprise

One of Canada's outstanding textile plants, with 200,000 spindles, 5,000 looms and a daily capacity of 125,000 yards, has long been the mainstay and backbone of the thriving town of Valleyfield, Que. There it gives employment to 2,000 Canadian workers.

Established in 1874, Montreal Cottons Limited, has grown, not only in the scope of its enterprise and volume of its output but also in all those factors that go to build substantial Canadian citizenship.

As a result of foresight and the soundness of its administration policy, many amenities are provided for its staff. These include modern company-owned dwellings rented to employees at moderate prices and the output of a model dairy farm, sold to employees at cost.

In every aspect that goes to make an industry truly great, Montreal Cottons dominates, a leader in the textile world of Canada.

OFFICERS AND DIRECTORS

Sir C. B. Gordon, *Chairman*
F. G. Daniels, *President*
Sir Herbert Holt, *Vice-President*

Hon. R. Dandurand — J. P. Black
Wm. Finley — G. B. Gordon
H. A. Wilson, *Secretary-Treasurer*
W. A. Norton, *Manager*

The
MONTREAL COTTONS LIMITED

Head Office and Mills, Valleyfield, Que.
Sales Offices: Montreal, Toronto, Winnipeg, Vancouver

MONTREAL COTTONS

Sweeping Programme of Plant Rehabilitation Begins to Find Reflection — Costs Are Reduced — Loss in 1931 Was Lower

A striking feature of the situation surrounding Montreal Cottons is the near completion of a sweeping programme for complete plant rehabilitation. The company's mill is located at Valleyfield and is one of the largest single cotton mills in the world.

The operating reorganization was begun early in 1931 and has progressed steadily. Old equipment has been scrapped, new machinery installed and the whole schedule of production has been rearranged with a view to increasing efficiency and improving quality of production. Activity of the company is now largely under the aegis of Dominion Textile Co.

Costs Are Reduced

The plant changes made have already shown a reduction in costs which are expected to extend still further as the full benefits of the improvements effected come into play. Operations in 1931 resulted in a loss, but the loss was lower than that reported in the previous year.

The difficult situation confronting the cotton manufacturers was well illustrated in the remarks made by F. G. Daniels, president of the company, accompanying the annual report for 1931. He pointed out that at the end of 1930 cotton was lower than at any period during the last fifteen years and that directors felt that all inventories had been conservatively taken, with little danger of further depreciation. But this proved incorrect, he said, as the price of cotton at the end of 1931 was 3½ cents a pound lower than at the beginning of the year, necessitating a further downward readjustment of inventory values.

Though preferred dividends have not been fully covered since 1928, disbursements on both preferred and common shares have been maintained. This has resulted in a steady decline in surplus account which at the end of 1931 amounted to $383,724 compared with $1,214,851 at the end of 1925.

The company's financial position, however, was strengthened in 1929 when it leased its power site at Valleyfield to Beauharnois Power Corp. For this it received $1,975,000 in cash; 8,000 h.p. delivered free of charge and some common stock of Beauharnois Power. Acquisition of these funds has been responsible in part for the company's ability to maintain payments on its capital stock.

The cotton mill at Valleyfield contains 200,000 spindles and 5,000 looms and provides employment for about 2,500 men.

Capitalization—

	Authorized	Outstanding
Common	$5,000,000	$3,000,000
Preferred	5,000,000	3,000,000

Par $100.

7 per cent cumulative. No voting power.

Funded Debt—
First mortgage 5 per cent bonds of Montreal Cotton due Nov. 1, 1943, $481,801.

Dividend Record—
Preferred—7 per cent per annum cumulative, payable quarterly, Mar., June, Sept. and Dec. 15.
Common—6 per cent per annum payable quarterly, Mar., June, Sept. and Dec. 15.

Officers and Directors—
Officers—Sir Charles Gordon, chm. of board; F. G. Daniels, pres.; Sir H. S. Holt, vice-pres.; H. A. Wilson, sec.-treas.; C. W. Gurnham, asst. sec.
Directors—Sir Charles Gordon, chm.; F. G. Daniels, Sir H. S. Holt, K.B., Senator R. Dandurand, J. P. Black, W. C. Finley, G. Blair Gordon, Montreal.

	1931	1930	1929
Times Bond Interest Earned	......	......	6.80
Earnings per Share and Div. Record:			
Preferred: Earned	nil	......	†$5.55
Paid	$7.00	$7.00	7.00
Common: Earned	nil	......	nil
Paid	$7.00	6.00	6.00

† Before provision for depreciation.

Ten Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1922	534,442	390,000	4,055,814
1923	535,552	390,000	4,118,656
1924	452,033	390,000	*1,144,712
1925	509,956	390,000	1,214,851
1926	493,158	390,000	886,619
1927	479,300	390,000	874,065
1928	426,498	390,000	857,068
1929	199,593	390,000	633,515
1930	†130,888	390,000	449,036
1931	†118,787	390,000	383,724

* Surplus shows a drop of $3,000,000 due to the fact that in previous balance sheets $3,000,000 preferred shares were not shown in liabilities. †Loss.

Market Record—

	1931 H	1931 L	1930 H	1930 L	1929 H	1929 L
Com.	95½	83½	134	95	140	110
Pref.	102	98	117	90	123	115

PENMANS LTD.

Despite Difficult Year in 1931 Company Improved Balance Sheet Position Materially — Dividend Reduced to $3 a Share

One of the bright spots in the report of Penmans, Ltd., for 1931 was the great improvement in the company's working capital position as compared with that of the previous year. Bank loans of $650,000 which had been shown in 1930 had been entirely eliminated. Cash was slightly higher and current assets were equal to 18 times current liabilities.

Sales, however, showed a decrease of about 10 per cent. Earnings showed a slight decrease, and though sufficient to cover preferred dividends, there was a deficit of $177,538 after payment of common dividends. The disbursement on the common stock has been reduced to an annual rate of $3 a share compared to the previous rate of $4.

Makes Wide Range

Penmans is a leading manufacturer of all kinds of woollen, cotton and silk goods. Products include, hosiery, underwear, sweaters, blankets, etc. Output is marketed through John Gordon & Sons, who act as the company's wholesale agents throughout Canada.

Though tariff regulations have helped the company to some extent, one of the chief benefits it has derived from additional protection is that touching on imported cotton hosiery. In former years, shipments from the Orient and the United States were very large, but Government statistics show that these imports have been cut to a negligible figure indicating that the Canadian manufacturer is obtaining a much larger share of the domestic market.

Penmans occupies a strong position in the industry, and with an improvement in general conditions the company should continue the progress it has made in the past.

Capitalization—

	Authorized	Outstanding
Common (No par value).	75,000 shs.	64,518 shs.
Preferred (Shares $100 each).	$1,500,000	$1,075,000

Funded Debt—
First mtge. bonds, 5½% due 1951 .... $1,892,000

Dividend Record—
Preferred—6 per cent cumulative, payable Feb., May, Aug. and Nov. 1, paid regularly since 1907.
Common—$3 per share per annum, payable quarterly, Feb., May, Aug. and Nov. 15.
Rate reduced from $4 per annum with quarterly payment of 75 cents per share Feb. 15, 1932.

Officers and Directors—
Officers—Sir C. B. Gordon, chm. of board; R. B. Morrice, pres.; A. F. Baillie, vice-pres.; H. W. Lundy, gen. mgr.; C. B. Robinson, sec.-treas.
Directors—Sir C. B. Gordon, R. B. Morrice, A. F. Baillie, J. N. Laing, H. B. MacDougall, J. P. Black, G. W. Grier, Montreal.

	1931	1930	1929
Times Bond Int. Earned:			
Before deprec.	2.85	3.03	6.14
After deprec.	...	...	5.28
Earn. per Share and Div. Record:			
Preferred: Earned	$13.49	$17.61	$38.42
Paid	6.00	6.00	6.00
Common: Earned	1.25	1.98	5.40
Paid	4.00	4.00	4.00

Ten Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1922	731,484	236,548	1,076,065
1923	751,002	279,560	1,229,454
1924	570,079	279,560	1,301,267
1925	618,099	279,560	1,384,787
1926	695,537	279,560	1,434,595
1927	720,571	344,078	1,539,831
1928	785,919	322,572	1,684,222
1929	675,729	322,572	1,774,657
1930	332,977	322,572	1,641,347
1931	313,578	322,572	1,463,809

Market Record—

	1931 H	1931 L	1930 H	1930 L	1929 H	1929 L
Com.	78	31	77	52	108½	70
Pref.	101	93	102	99¾	110	100

TORONTO CARPET

Company Has Paid Dividends Unbrokenly for 41 Years

The Toronto Carpet Manufacturing Co. which manufactures Wilton, Saxony and Brussels carpets and rugs, Smyrna carpets and rugs, Axminster squares, runners, mats and ingrain carpets and rugs was incorporated under Dominion laws in 1927 to take over a company which was originally started in 1891 under an Ontario charter.

The plant of the company in Toronto occupies seven acres and contains 500,000 square feet of floor space. It has as subsidiaries the Barrymore Cloth Company, the Barrymore Seamless Wilton Inc., with its plants at Philadelphia and Holmesburg, Penn., the Campbellford Cloth Co., the J. Henry Peters Manufacturing Co., the Toronto Rattan Rug Co., and the Barrymore Furniture Co.

Barrymore Seamless Wilton, Inc., has offered its Holmesburg plant for sale. Bought in 1930, it has never been used.

The company has paid its preferred and common dividends from the time of incorporation in 1891 to date.

Capitalization—

	Authorized	Outstanding
Common	$1,000,000	$1,000,000
Preferred	1,000,000	832,000

Par $100.

Funded Debt—
1st mtge. 6% bonds Series "A" due 1944 .... 5,000,000 772,500

Dividend Record—
Dividends on preferred 8 per cent per annum, paid regularly; on common also at rate of 8 per cent per annum since incorporation in 1891. Payments on both classes quarterly, Jan., Apr., July and Oct. 1.

Officers and Directors—
Officers—F. B. Hayes, pres. and man. dir.; G. D. Perry, vice-pres.; B. B. Hayes, vice-pres. and gen. mgr.; S. J. Cragg, sec.-treas.
Directors—F. B. Hayes, G. D. Perry, B. B. Hayes, G. H. Muntz, S. J. Cragg, P. D. Hayes, R. Fennell, all of Toronto.

GOODYEAR COTTON

Parent Company Purchases Entire Output While Bonds Outstanding

Goodyear Cotton Co. of Canada, which is controlled by the Goodyear Tire and Rubber Co. of Canada, was incorporated under Dominion laws in 1926 although the business was founded in 1920 in Canada as the Canadian Manhasset Cotton Co., subsidiary of the Providence Manhattan Co. of the United States.

Goodyear Cotton Co. has a sales contract with the parent company whereby the parent company agrees to purchase fabrics and other goods as long as any bonds remain outstanding. This is in effect an undertaking to purchase the entire output of the company which can supply about 60 per cent of the requirements of the parent company.

No financial statements have been published since 1929 and the financial position and earnings of the company are incorporated in those of the Goodyear Tire and Rubber.

Prices of raw cotton have remained extremely low for the last year or two.

Capitalization—

	Authorized	Outstanding
Common	5,250 shs.	5,250 shs.

(No par value).
All of the common stock, except directors' qualifying shares, is owned by the Goodyear Tire & Rubber Co.

Funded Debt—
First mortgage, 6 per cent., due 1949 .... $1,396,500
$553,500 of the issued bonds are held in the treasury.

Dividend Record—
Common—None paid.

Officers and Directors—
Officers — C. H. Carlisle, pres.; E. H. Koken, vice-pres.; R. C. Berkinshaw, sec.; S. M. Barbour and W. H. Jeeves, asst. treas.; H. A. Tipple, asst. sec.; J. P. Goudreault, mill supt.
Directors — C. H. Carlisle, E. H. Koken, C. B. McNaught, J. E. McAllister, Toronto, Ont.; C. C. Slusser, P. W. Litchfield, S. A. Steere, Akron, Ohio.

CAN. CONVERTERS

Long Record of Steady Earnings Shows Break

Income of Canadian Converters Co., maintained at an even level for many years, has been much curtailed since 1930. Since 1921 dividends were paid at the rate of 7 per cent to that year, but lower returns have necessitated gradual diminution of disbursements on the capital stock and at the present time dividends are paid at an annual rate of $2 a share.

This situation is due largely to low selling prices obtained for the company's production and also, in part, to a gradual trend of public favor away from cotton goods. Canadian Converters manufactures shirts, collars and a wide line of whitewear; its activity is confined to converting cloth into wearing apparel and it has no part in the actual manufacturing of cotton fabrics.

Has Simple Structure

The sole securities outstanding comprise $1,733,500 of common shares and a feature of this capital structure is the fact that there has been no change recorded since the company's inception in 1907. In the fiscal year ended April 30, 1932, earnings were equal to $1.05 a share on the common stock.

It is reported that the company's business has shown little or no tendency to improve during the current year, and any up-swing must await a general strengthening in the price level.

Capitalization—

	Authorized	Outstanding
Common	$3,000,000	$1,733,500

(Par value $100).

Funded Debt—
None.

Dividend Record—
Common—$2 per annum, payable Feb., May, Aug. and Nov. 15. Rate reduced from $4 to $2 with payment of 50 cents Feb. 15, 1932.

Officers and Directors—
Officers—J. H. Roy, pres. and gen. mgr.; J. M. Mackie, vice-pres.; T. M. Barrington, sec.-treas.
Directors—J. N. Laing, J. H. Roy, T. J. Rodger, D. Paterson, R. C. McMichael, J. M. Mackie, T. R. Rennie, all of Montreal.

Earnings per Share and Dividend Record:
Years Ended April 30

	1932	1931	1930	1929
Earned	$1.05	$2.58	$5.03	$7.22
Paid	3.00	5.00	7.00	7.00

Ten Years' Earnings—
Years Ended April 30

	Earnings	Dividends	Surplus
1923	$202,300	$121,345	$655,822
1924	193,778	121,345	659,309
1925	154,472	121,345	655,495
1926	173,754	121,345	665,964
1927	156,363	121,345	667,017
1928	163,624	121,345	669,297
1929	166,268	121,345	673,220
1930	104,788	121,345	639,163
1931	56,291	86,675	597,279
1932	29,660	52,004	563,434

Market Record—

	1931 H	1931 L	1930 H	1930 L	1929 H	1929 L
Com.	58	30	76½	64	106	73

RIVERSIDE SILK MILLS

One of Few Companies Whose Operations Exceeded 1930

Riverside Silk Mills, which was incorporated under Ontario laws in 1915, is engaged in the production of silk yarns used in the manufacture of ladies' underwear and hosiery and also in the manufacture of broad silk since 1924.

The company owns a plant in Galt, Ont., but four years ago it found it necessary to expand considerably.

Working capital of the company is strong. It is one of the few companies which in 1931 managed to do better than in 1930, but net earnings after depreciation and taxes were hardly enough to cover class A dividends of $60,000.

Capitalization—

	Authorized	Outstanding
Com. "A"	30,000 shs.	30,000 shs.
Com. "B"	20,000 shs.	20,000 shs.

No par value.

Funded Debt—
None.

Dividend Record—
Class "A" $2 per annum, payable quarterly, Jan., Apr., July and Oct. 1. Initial payment of 50 cents per share made July, 1928, and quarterly since.
Class "B"—Initial dividend of 50 cents per share paid on March 1, 1929, 50 cents paid March 1, 1930; none since.

Officers and Directors—
Officers—E. M. McCormick, pres.; C. A. McCormick, vice-pres.; G. H. McCormick, sec.-treas.
Directors—C. A. McCormick, Paris, Ont.; E. M. McCormick, D. W. McCormick; G. H. McCormick, Galt, Ont.; F. J. Coombs, Toronto.

Earnings per Share and Div. Record:

	1931	1930	1929
Cl. "A": Earn.*	$1.84	$1.80	$4.33
Earned†	1.84	1.80	2.60
Paid	2.00	2.00	2.00
Cl. "B": Earn.†	nil	nil	2.60
Paid	nil	§0.50	$0.50

* Before taking participating provisions into account.
† After taking participating provisions into account.
§ Paid from previous year's surplus.

Four Years' Earnings:

Year	*Earnings $	Dividends $	Surplus $
1928	159,424	45,000	424,423
1929	130,162	70,000	484,585
1930	54,079	70,000	468,664
1931	55,085	60,000	463,003

* After depreciation and federal income taxes.

Market Record—

	1931 H	1931 L	1930 H	1930 L	1929 H	1929 L
Cl. "A"	16	9	25	10½	36	20

DOM. WOOLLENS

Protection Against Dumping Has Caused Some Improvement in Business

Dominion Woollens and Worsteds, which was incorporated under Dominion laws in 1928, is engaged in its mills at Peterborough, Hespeler, Orillia and Milton, Ont., in spinning and dyeing worsted and woollen yarns and weaving tweeds, velours, cottons, linens, silks and other fibrous substances. The company owns the only wool combing plant in operation in Canada. It is the result of the consolidation in 1928 of Canadian Woollens of Peterborough with its subsidiaries and the R. Forbes Company, of Hespeler, Ont., with its subsidiary, Orillia Worsted Company.

In the last year for which a financial statement is available the company was not quite able to earn its bond interest before depreciation. This was due to world business conditions and especially to a drop of 30 per cent in sales as measured in dollars because of lower prices and reduced demand for yarns and knitted goods.

After the close of the company's year on June 30, 1931, however, the dumping clause of the tariff was put in operation on many lines in which the company was interested, and in 1932 especially the company has been able to keep its cloth mill at its Auburn mills at Peterborough operating on a 24-hour schedule. Other divisions were on full time. A small profit margin, however, was reported.

Capitalization—

	Authorized	Outstanding
Common (No par value).	200,000 shs.	60,000 shs.
Preferred, 6% (Par $100).	$4,000,000	$1,500,000

Funded Debt—
First mortgage, 6%, Series "A," due 1948, outstanding $2,157,000.

Dividend Record—
Preferred—6 per cent per annum, cumulative from July 1, 1928. Payable quarterly, July, Oct., Jan. and April 1.
No dividends have been paid since date of issue, June, 1928.
Common—None paid.

Officers and Directors—
Officers — A. O. Dawson, pres.; W. K. Trower, vice-pres.; Henry Barrett, man. dir.; C. E. Whitten, sec.-treas.
Directors—A. O. Dawson, W. K. Trower, William Hanson, Montreal; G. D. Perry, W. A. Mackenzie, Henry Barrett, Toronto; C. M. Heddle, Peterborough.

	1931	1930	1929
Times Bond Interest Earned:			
Before deprec. and other interest	0.86	0.49	4.40
After deprec. and other interest	...	...	2.01
Earnings per Share:			
Preferred	...	...	8.47
Common*	...	...	0.62

*After deducting $90,000, full year's preferred dividend.
No dividends have been paid on either class of stock.

CELTIC KNITTING

Loss Reduced Last Year — Keen Competition Encountered

Though Celtic Knitting Co. reported a loss on operations in 1931, it was less than the loss reported in the previous year. The situation was due to the further decline in commodity prices and the fact that the company continued to take losses in the inventory of manufactured goods.

Celtic Knitting Co. is engaged in the manufacture of all kinds of hosiery. The plant of the company is located in Montreal and is equipped to produce 2,400 dozen pairs of stockings weekly.

Three years ago it was decided to enter the manufacture of women's full-fashioned hosiery and a new plant was erected at Granby, which is operated by a subsidiary known as Nordic Hosiery, Ltd. This unit has been operating at a good rate of capacity but competition in the silk stocking field is exceptionally keen. Prices are at extremely low levels and the margin of profit is negligible in this field today.

Capitalization—

	Authorized	Outstanding
Common	30,000 shs.	27,000 shs.

No par value.

Funded Debt—
None.

Dividend Record—
Initial dividend of 15c per share paid Sept. 1, 1929; none since.

Officers and Directors—
Officers—E. P. Gordon, pres.; A. C. Howatson, vice-pres. and man. dir.; E. D. Gordon, sec.-treas.
Directors—E. P. Gordon, A. C. Howatson, E. D. Gordon, W. F. Graw, H. B. Robinson, Montreal.

Earnings per Share and Dividend Record:

	1931	1930	1929
Common: Earned	....	....	*$0.49
Earned	....	....	†0.26
Paid	....	....	0.15

*Including income received from sale of machinery.
†Excluding income received from sale of machinery.

CONSOL. FELT

Failed to Cover Interest Requirements in Past Year

Canadian Consolidated Felt Co., subsidiary of Dominion Rubber Co., manufactures general felt goods, boots, overshoes, harness, etc., at its plant at Kitchener, Ont. The general contraction of business found reflection in the company's sales in 1931 and net earnings fell short of interest charges on funded debt.

The balance sheet position showed one noteworthy change. A former capital surplus of $234,213 was applied toward reducing the valuation given to patents and goodwill which formerly stood at $2,160,000; this has now been reduced to $1,925,787.

The company has a chequered record of dividend payments. Distributions have been made on the preferred stock from time to time but at the end of 1931 dividends were in arrears to the extent of 107.5 per cent. No payments have been made since June 30, 1930.

Investment interest in the company is limited, Dominion Rubber Co. controlling 51 per cent of the common stock.

Capitalization—

	Authorized	Outstanding
Common	$1,500,000	$1,500,000
Preferred	500,000	500,000

(Par $100).
51 per cent of the common stock is owned by the Dominion Rubber Co.

Funded Debt—
First mortgage, 6 per cent, due 1940, outstanding $196,000.

Dividend Record—
Preferred—7 per cent per annum, cumulative, payable Jan., Apr., July and Oct. 1. Paid regularly from incorporation to July, 1914; none thereafter until March 30, 1929, when 2½ per cent interim dividend was paid. Similar payments were made June 30, Sept. 30, and Dec. 30, 1929; April 2 and June 30, 1930. As at Dec. 31, 1931, dividends were in arrears to the extent of 107.50 per cent.
Common—No dividends paid.

Officers and Directors—
Officers—W. A. Eden, pres.; G. W. Charles, vice-pres.; N. M. Lynn, mgr.; H. P. Nellis, sec.; A. Whitehouse, treas.
Directors—W. A. Eden, G. W. Charles, V. E. Mitchell, K.C., LL.D., F. G. Daniels, H. R. Nixon, A. Whitehouse, all of Montreal; F. Bauslaugh, Brantford.

	1931	1930	1929
Times Bond Interest Earned:§	nil	2.93	5.07

§ After deducting interest in excess of bond interest, and provision for bad debts in all years, and depreciation also in 1927, 1928, 1929, 1930 and 1931.

Earnings per Share and Div. Record:

	1931	1930	1929
Pref.: Earned	nil	$4.77	$10.34
Paid	...	5.00	10.00

Seven Years' Earnings:

Year	Earnings $	Dividends $	Surplus $
1925	38,717	......	277,690
1926	43,338	......	291,253
1927	56,764	......	318,394
1928	97,231	......	339,306
1929	73,979	50,000	391,013
1930	38,897	25,000	389,888
1931	4,933	......	349,386

Research Council Aiding

National Research Council commenced experimenting with wool in 1929 and the work in this direction is now well under way. Some very interesting conclusions are expected to result and to be announced in the near future.

One of Canada's KEY INDUSTRIES

AN INDUSTRY that profitably employs thousands of Canadian workmen; an industry whose products are vital to the daily life of the whole Dominion, the Dominion Textile Company has contributed to the economic life and prosperity of Canada for over fifty years.

Dominion Textile plants are the industrial basis of many thriving communities. Their yearly expenditures for wages, taxes and raw materials total many millions, disbursed with a view to benefitting Canada and Canadians to the greatest extent possible.

Throughout the Dominion, Dominion Textile "Prue Products" which include prints, sheetings, shirtings, pillow cases, longcloths, ducks, drills, towels and towellings, blankets, rugs, yarns, twines and many others, are standards of quality and value.

Dominion Textile Company LIMITED
Victoria Square - Montreal
Montreal Toronto Hamilton Winnipeg Vancouver

OFFICERS
Chairman of the Board: SIR CHARLES B. GORDON, G.B.E.
President and Managing Director: F. G. DANIELS
Vice-President: SIR HERBERT HOLT
Sec'y-Treas.: J. H. WEBB
Assist. Sec'y-Treas.: J. A. FISH

DIRECTORS
J. P. Black W. A. Black F. G. Daniels Sir Chas. B. Gordon
Sir Herbert Holt Sir Frederick Williams-Taylor J. H. Webb

A $30,000,000 Company, Canadian-owned, and employing 8,000 Canadian Workers

DOMINION TEXTILE PRODUCTS

MAGOG FABRICS
Guaranteed Fast Colors
Mercerized and Unmercerized
Dress Goods
Dimple Dot Broadcloth
Rajah Pongee, printed and plain
Mercerized Taffeta, printed and plain
Priscilla
Victorian
Ring-a-Rosey
Cottage Prints
Glendale
Beaconsfield Prints
Printed Dimities
Colonial Pique
Princess Crepe

TEXSILKES
Printed:—Roselle, Crepe Lucerne
Plain:—Sunrae, Crepe Chanella
For Counter Trade, Linings, Dress Underwear and Shirt Manufacturers

SHIRTINGS
Fancy Repp — Silkes
Broadcloth — Cords
Piques — Percales
Taffetas — Crepes

DRAPERIES AND CRETONNES
For Living Room, Bedroom and other purposes

QUILTINGS
Guaranteed Turkey Red and Fancy Printed

ART TICKING
Plain and Sateen for Mattress and Pillows

NAPPED FLANNELS
Printed and Plain for Pyjamas, Shirtings and Dresses

CHAMBRAYS

DYED AND PRINTED DRILLS

GALATEAS

DUCK

APRON CLOTH

POCKETINGS

KHAKI DRILLS AND DUCK

COLONIAL BLEACHED COTTONS
Fine Cambrics
Fine Longcloths
Fancy Shirtings
Interlinings

COLONIAL BED SHEETINGS

COLONIAL CIRCULAR PILLOW COTTONS

COLONIAL BLEACHED SHEETS AND SLIPS

COLONIAL COLORED SHEETS AND SLIPS
Colonial Bleached Huck
Colonial Bleached Terry Bath Towels
Colonial Towelling
Colonial Bleached Honey-Comb Bed Spreads
Colonial Bleached and Colored Krinklette Bed Spreads
Grey and White Cotton Bed Blankets—Ibex Quality; Dragon Quality
Canton Flannels—Bleached and Grey

INDUSTRIAL AND UTILITY FABRICS
Duck for Tents and Tarpaulins
Circular Woven Seed and Grain Bags
Grey and Bleached Cloths for Manufacturers to be made up into all kinds of Bags, Leather Cloths, Oilcloths and Oiled Clothing, etc., etc.
Tire Fabrics
Shoe Duck and Shoe Linings for all mechanical and Rubber Purposes—Plain Weave and Twills
Napped Cloth for Gloves, Shirtings, etc.
Window Shade Cottons
Narrow Fabrics and Tapes

KNITTING YARNS
Hosiery and Underwear Yarns
Warps—Twines—Carpet Yarns, etc.

CANADIAN COTTONS

Sales Showed Marginal Gain Last Year But Raw Cotton Dropped 4½ Cents to Low Figure During Fiscal Year

Plants of Canadian Cottons are operating around 70 per cent of capacity with a slightly better demand for output; prices, however, are still at a level which allows but a small margin of profit. The company is one of the largest cotton manufacturers in Canada, operating a total of six mills in Ontario and New Brunswick.

Like other textile companies, Canadian Cottons has felt the effects of the world situation prevailing in the industry. Raw cotton prices have declined steadily for the past two years, buying power has been curtailed, and hand-to-mouth buying tends to leave substantial stocks on hand.

Sales Showed Gain

In the fiscal year ended March 31, 1932, sales for the year showed an increase of about 1 per cent, at $6,541,000. Operating profit showed a marginal gain despite a decline of 4½ cents in the price of raw cotton which dropped to 6.20 cents a lb. during the 12 months period.

Profits were affected by the Canadian dollar having suffered a serious discount compared with the American dollar. Not only had American funds to be provided against purchases of raw cotton, dyestuffs, mill supplies, machinery, etc., but several thousands of dollars were lost through the necessity of paying bond interest in American funds.

Affected by Imports

It has been pointed out, however, that the chief loss suffered by the company during the year resulted from Britain going off the gold standard. The reduction in the value of the pound sterling enabled English mills to lay down goods in Canada at prices which the company could not meet; in fact, one particular case was referred to where a material was laid down in Canada for 6½ cents a yard. To produce this same material cost Canadian Cottons 9 cents a yard. Wages have not been reduced.

Despite the low level of profits which have been reported in the last four years, Canadian Cottons has maintained payments on its preferred stock though earnings have not been sufficient to cover the disbursements since 1929. During more prosperous years the company built up a substantial surplus and a balance of $2,114,480 was brought forward in the current year.

The mills operated by Canadian Cottons are located at Hamilton; Cornwall, Ont.; Milltown and Marysville, N.B. Water powers are owned at Milltown and Cornwall.

Capitalization—

	Authorized	Outstanding
Pref. 6% non-cum.	$4,500,000	$3,661,500
Common	3,500,000	2,715,500
(Par $100).		

Funded Debt—
First mortgage 5 per cent bonds, due July 2, 1940, $3,906,140.

Dividend Record—
Preferred, 6 per cent per annum, paid regularly quarterly Jan., Apr., July and Oct. 4, since April, 1911.
Common—None at present. Initial dividend of 1 per cent paid July, 1916, and quarterly to and including Jan. 4, 1918; ½ per cent per quarter paid from Apr. 4, 1918, to and including Oct. 4, 1919; 1¾ per cent per quarter paid from Jan. 1, 1920, to and including April 4, 1930; 2 per cent per quarter paid from July 4, 1920, to and including Jan. 4, 1930. Dividend payable April 4, 1930, passed; none since.

Officers—A. O. Dawson, pres. and man dir.; Hon. F. L. Beique, vice-pres.; R. G. Tolmie, gen. mgr.; Hugh W. Watson, sec.; K. L. Hamilton, treas.

Directors—W. A. Black, A. O. Dawson, Sir H. Montagu Allan, Hon. F. L. Beique, George Caverhill, W. J. Morrice, all of Montreal.

Times Bond Interest Earned:
Year Ended Mar. 31:

	1932	1931	1930
After deprec.	2.19	1.95	1.51

Earnings per Share and Div. Record:

Pref.: Earned	$3.43	$2.87	$1.58
Paid	6.00	6.00	6.00
Com.: Earned	...	...	...
Paid	...	...	6.00

Ten Years' Earnings:

Year	Earnings $	Dividends $	Surplus $
1923 ...	703,191	436,930	2,807,144
1924 ...	621,379	436,930	2,680,236
1925 ...	614,110	436,930	2,682,663
1926 ...	642,681	436,930	2,709,793
1927 ...	621,705	436,930	2,737,563
1928 ...	601,119	436,930	2,749,943
1929 ...	398,756	436,930	2,553,925
1930 ...	211,144	382,620	2,229,019
1931 ...	268,636	219,690	2,114,480
1932 ...	289,672	219,690	2,020,200

Market Record—

	1931 H	1931 L	1930 H	1930 L	1929 H	1929 L
Com.	..	..	55	45	110	108
Pref.	55	49	83	60	101½	84

WABASSO COTTON

Gains of Past Two Years Expected to be Maintained in Current Fiscal Year — Plants Operate at Satisfactory Rate

Wabasso Cotton Co., one of the big four in the Canadian cotton manufacturing industry, has made steady gains in the past two years. The fiscal period of the company will close June 30, 1932, and it is expected that earnings will again show an improvement over those of the previous year.

Plants are presently operating around 75 per cent of capacity, which can be considered a satisfactory rate of activity, but existing price levels for cotton goods do not allow any appreciable margin of profit. In common with other manufacturers, the company has had to bear the brunt of drastic declines in the raw cotton market but it has been able to maintain and even improve its position in recent years.

Operates Large Mills

The company and its subsidiaries operate three mills with a total capacity of 2,100 looms and 100,000 spindles. The mills of the Wabasso Co. are located at Three Rivers, one being leased from St. Maurice Valley Cotton Mills, and that of the Shawinigan Cotton Co., another subsidiary, is located at Shawinigan Falls.

In the past few years, Wabasso Cotton Co. has widened its range of production materially. Formerly the company concentrated its activities on manufacturing fine white cotton goods, but in 1928 a drastic reorganization of production was undertaken and the manufacturing range was broadened out to include celanese weaves and a diversified line of similar materials.

That this policy has borne fruit is illustrated in the company's income account, which has shown gains in earnings. Bond interest was covered, after depreciation, in the year ended June 30, 1931, and through sinking fund operations the amount of funded debt is being steadily reduced each year. Dividends on the common stock were passed four years ago, but junior securities are beginning to develop an earning power.

Capitalization—

	Authorized	Outstanding
Capital stock ...	105,000 shs.	69,903 shs.
No par value.		

Funded Debt—

1st mtge. 6% bonds, due 1947	$1,000,000	$761,000
Sinking fund, 7% bonds, due 1942	750,000	573,500

Dividend Record—
Dividend passed for quarter ending Sept. 30, 1928, and not yet resumed. Previous rate was $4 per share plus bonus of $1 per share in 1927 and $2 in 1928. Dates payable, Jan., Apr., July and Oct. 1.

Officers and Directors—
Officers—C. R. Whitehead, pres. and gen. man.; J. W. Pyke, vice-pres.; W. G. E. Aird, mgr.; H. W. Capel, sec.-treas.; P. H. Forbes, compt.; L. H. Hynd, asst. compt.
Directors—C. R. Whitehead, W. G. E. Aird, W. J. Whitehead, Three Rivers; Wm. I. Gear, J. W. Pyke, Hugh Mackay, Montreal; R. N. Ball, Woodstock, Ont.; Wm. Harty, Jr., Kingston, Ont.

Times Interest Earned—
Years Ended June 30

	1931	1930	1929
Before deprec.	2.03	1.84	1.67
After deprec.	1.16	0.89	0.06

Earnings per Share and Dividend Record—

	1931	1930	1929
Earned*	$0.05	....	....
Paid	....	....	$1.00

*On fully paid shares.

Ten Years' Earnings—
Years Ended June 30

Year	Earnings	Dividends	Surplus
1922	$396,014	$140,000	$546,156
1923	416,877	140,000	623,111
1924	361,837	140,000	616,163
1925	376,067	140,000	634,998
1926	395,615	140,000	673,519
1927	538,961	192,500	749,139
1928	483,187	262,500	671,827
1929	155,868	52,500	492,290
1930	484,559	......	383,214
1931	520,732	......	386,862

Market Record—

	1931 H	1931 L	1930 H	1930 L	1929 H	1929 L
Common	30	10	40	35	58	36

SHAWINIGAN COTTON
(Controlled by Wabasso Cotton Co.)

Capitalization—

	Authorized	Outstanding
Common	10,000 shs.	10,000 shs.
Par $1.		

The parent company owns 97 per cent of the stock.

Funded Debt—
1st mtge., 6 per cent gold bonds, due 1949, outstanding, $792,500.
Six per cent debentures, due 1936, authorized, $200,000; none issued. To be used for collateral purposes only.

Officers and Directors—
Officers—C. R. Whitehead, pres. and gen. mgr.; J. W. Pkye, vice-pres.; H. W. Capel, sec. and treas.; W. G. E. Aird, mgr., Three Rivers, Que.
Directors—J. W. Pyke, Hugh Mackay, K.C., Montreal; C. R. Whitehead, W. G. E. Aird, Three Rivers, Que.; R. N. Ball, Woodstock, Ont.

ST. MAURICE VALLEY COTTON
(Controlled by Wabasso Cotton Co.)

Capitalization—

	Authorized	Outstanding
Common	$1,250,000	$1,250,000
Par $100.		

All of the stock was acquired by the Wabasso Cotton Co., in exchange for an equal amount of common stock of that company and is now pledged as collateral security for the parent company's 7 per cent collateral trust bonds, due 1942.

Funded Debt—
1st mtge., 6 per cent bonds, due 1952, outstanding $1,973,800.

Officers and Directors—
Officers—C. R. Whitehead, pres. and gen. mgr.; J. W. Pyke, vice-pres.; W. G. E. Aird, mgr.; H. W. Capel, sec.-treas.; P. H. Forbes, compt.
Directors—C. R. Whitehead, W. G. E. Aird, Three Rivers, Que.; J. W. Pyke, Hugh Mackay, K.C., Montreal, Que.; R. N. Ball, Woodstock, Ont.

BELDING-CORTICELLI

Termination of French Treaty Foreshadows Revision in Tariff Schedules Affecting Products of Company

One of the most encouraging features in the situation surrounding Belding-Corticelli, Ltd., was the termination on June 16, 1932, of the trade treaty signed in 1922 between Canada and France. The reason why ending of this treaty is favorable to Belding-Corticelli is as follows:

Under the terms of the treaty fixed rates of duty prevailed on many commodities, including those which competed with products of Belding-Corticelli. Though the textile industry as a whole received large benefits from additional protection last year, the government's hands were tied by the treaty as far as alteration of certain duties governed by the French treaty were concerned.

Foresee New Tariffs

With the conclusion of the pact, it may be expected that certain changes will be made in existing tariffs and the company, together with other manufacturers who have been affected by the French treaty, will receive protection on certain lines which have hitherto been denied.

Belding-Corticelli is one of the leading manufacturers in Canada of silk threads, ribbons and various other silk lines; keen competition has been experienced from certain imports. Tariff changes made at the last budget actually adversely affected the company since duties were placed on raw materials without any increased protection being given on Belding's finished products.

Small Profit Margin

The products of the company are moving forward in fair volume this year but for the most part in small lots, which tends to hold down the margin of profit on sales. Competition in the silk industry is keen, especially in the silk hosiery division, a phase of Belding's activity which has expanded substantially in recent years.

The company, however, has established a strong financial position and to date has maintained its dividend disbursements without interruption.

Capitalization—

	Authorized	Outstanding
Pref. 7% cum.	$1,650,000	$865,300
Com. stock	850,000	749,500
(Par $100).		

Funded Debt—
First mortgage sinking fund 5 per cent bonds due May 1, 1936; outstanding $179,-775.

Dividend Record—
Preferred 7 per cent payable Mar., June, Sept. and Dec. 15.
Common—7 per cent per annum, paid quarterly, Feb., May, Aug. and Nov. 1.

Officers and Directors—
Officers—A. O. Dawson, pres. Wm. Hanson, vice pres.; W. P. MacDougall, gen. mgr.; D. F. Pollock, sec.; J. P. Kennedy, treas.
Directors—A. O. Dawson, W. A. Black, Wm. Hanson, J. M. Mackie, R. C. Vaughan, W. P. MacDougall, Montreal.

Times Bond Interest Earned:

	1931	1930	1929
Before deprec.	7.23	8.68	10.63
After deprec.	3.40	5.26	7.69

Earnings per Share and Div. Record:

Pref.: Earn.	$8.54	$14.00	$20.07
Paid	7.00	7.00	7.00
Com.: Earn.	1.79	8.08	15.09
Paid	7.00	7.00	7.00

Ten Years' Earnings—

Year	Earnings	Divds.	Surplus
1922	$250,478	$ 60,571	$449,786
1923	279,801	75,561	514,077
1924	254,771	90,551	361,898
1925	345,853	98,046	358,065
1926	248,930	105,541	371,210
1927	275,341	105,541	402,071
1928	357,348	113,036	449,389
1929	392,925	113,036	510,536
1930	321,112	113,036	518,663
1931	267,342	113,036	479,541

Market Record—

	1931 H	1931 L	1930 H	1930 L	1929 H	1929 L
Com.	93	85	130	90	155	131
Pref.	100	90	110	98½	108½	99½

TIP TOP TAILORS

Company Effects Important Economies in Years of Declining Business

Tip Top Tailors, which manufactures and distributes made-to-measure and ready made men's clothing through its own 56 stores as well as through 1,600 agencies, was incorporated under Dominion laws in 1928 to acquire the business, assets and goodwill of the Berger Tailoring Co which was incorporated in 1910 to engage in this business.

The company acquired in 1930 all the stock of the Firth Bros. of Hamilton and in 1931 through Firth Bros. the House of Hobberlin.

In March, 1929, the company erected a new five-story plant on Fleet St. in Toronto. The new plant has a total floor space of about 210,000 square feet and the company is therefore well equipped for any expansion programme it may find necessary in the future.

In the last few years, however, there have been many difficulties in the clothing business. The company has suffered a decline in profits as compared with previous years as the result of decreased sales but by means of important economies its position has been well maintained. Even in 1931 the company earned $7.91 per share on the preferred stock which pays $7 a share. This was after depreciation and taxes and included income from investments and other sources.

Working capital is very strong.

Capitalization—

	Authorized	Outstanding
Common	150,000 sh.	122,500 sh.
(No par value).		
Preferred 7%	$1,500,000	$1,341,700
(Par $100).		

Funded Debt—
None.

Dividend Record—
Preferred—7% per annum, payable quarterly 1st Jan., Apr., July and Oct. Initial dividend paid July 1, 1928, and regularly since.
Common—None paid.

Officers and Directors—
Officers—D. Dunkelman, pres.; R. Dunkelman, sec.; H. P. Mackechnie, treas. and gen. mgr.
Directors—D. Dunkelman, R. Dunkelman, H. P. Mackechnie, J. B. Dunkelman, R. A. Daly, Toronto; J. M. Firth, Hamilton; A. Miller, Kitchener.

Earnings per Share and Dividend Record—
Years Ended Jan. 2

	1932	1931	1930
Pref.: Earned	$7.91	$18.38	$42.24
Paid	7.00	7.00	7.00
Common: Earned..	0.09	1.11	4.09
Paid	....	....	....

Four Years' Earnings—

Year	Earnings	Dividends	Surplus
1928	$718,981	$76,650	$584,560
1929	692,983	101,097	1,025,557
1920	337,480	96,481	1,115,572
1931	229,748	94,637	1,082,242

Market Record—

	1931 H	1931 L	1930 H	1930 L	1929 H	1929 L
Com.	13	6½	39	11	48½	31
Pref.	90	77	108	85	113	99

MERCURY MILLS

Drastic Economies in Operation Improves Position After Bad Years

Mercury Mills which manufactures a wide range of knitted goods, mainly wool, cashmere and silk hosiery and underwear, was incorporated under Dominion laws in 1922. The predecessor company was founded in 1912.

The company owns plants at Hamilton and Woodstock and, through a subsidiary, one at Listowel. For the last nine months manufacturing activities have been concentrated at Hamilton because of unsettled conditions. Operations at the Listowel plant were confined to yarn spinning and dyeing.

In 1928 the company acquired the plant and assets of the Oxford Knitting Co. of Woodstock, and in 1929 all the common stock of the P. K. Mills of Listowel.

At the end of 1931 the company's working capital was fairly strong, although bank loans advanced from $255,246 to $331,243. In operations of the last two years there have been losses before depreciation and bond interest. An improved position is reported as a result of a drastic reorganization of operations.

Capitalization—

	Authorized	Issued
Common	45,000 shs.	45,000 shs.
No par value.		
Preferred	$2,000,000	$1,000,000
Par $100.		

Funded Debt—
First mortgage 5½ per cent bonds. Series "A" due 1953, outstanding $1,381,582.

Dividend Record—
Preferred—6 per cent per annum, payable quarterly, Feb., May, Aug. and Nov. 1. Dividend due Feb. 1, 1931, passed; none since.
Common—None paid.

Officers and Directors—
Officers—H. G. Smith, pres. and treas.
Directors—H. G. Smith, J. J. Evel, Hamilton, Ont.; J. H. Gundy, R. H. Hommel, Toronto; G. A. Dobbie, Galt, Ont.; C. G. Cockshutt, Brantford, Ont.

Times Bond Interest Earned:

	1931	1930	1929
Before deprec.	....	....	3.65
After deprec.	....	....	2.62

Earnings per Share and Dividend Record:

	1931	1930	1929
Pref.: Earned	....	....	$12.68
Paid	....	$6.00	6.00
Common: Earned..	....	....	1.44
None paid.			

Four Years' Earnings—

Year	Earnings	Dividends	Surplus
1928	$394,508	$51,000	$426,591
1929	294,548	61,861	491,602
1930	*125,583	62,052	224,711
1931	*123,302	......	†282,982

*Loss. †Deficit.

Market Record—

	1931 H	1931 L	1930 H	1930 L	1929 H	1929 L
Com.	..	..	25	25	46	30
Pref.	..	..	89	58½	96	89

CANADIAN CELANESE

Company Shares in Wide Increase in Public Demand for Artificial Silk — Earnings Higher in First Quarter of Year

In the past few years wide gains have been recorded by the artificial silk industry in Canada. Canadian Celanese, the only company in this industry in which there is a public investment interest, has extended its plant, increased its production, and improved earnings have reflected the strong demand for celanese.

Additional protection granted manufacturers in recent years, has played a part in the company's ability to secure a wider share of the domestic market. In 1930, with the assurance of tariff changes, additions were made to the property at Drummondville which increased output by approximately 50 per cent. Imports of manufactured artificial silk goods fell away rapidly and sales of Canadian Celanese increased.

Earnings Show Gain

In 1931 profits were sufficient to cover dividends on the 7 per cent stock and for the first time since the company's inception a full payment of 7 per cent was made last year. Dividends are being maintained on a quarterly basis at present. No steps have yet been taken to liquidate the arrears on the preferred stock which total $29.75 a share, but the management has stated that its first consideration will be to pay off these back dividends.

The improvement during the current year has been maintained. Profits in the first quarter showed an increase over the corresponding period of 1931 and plants are presently working at capacity with unfilled orders at a high level. The company has been quick to widen the scope of its output and has adopted merchandising policies which have successfully stimulated sales.

The balance sheet at the end of 1931 showed a satisfactory position with a working capital of $3,003,227 and a ratio between current assets and current liabilities of 10.9 to 1.

Capitalization—

	Authorized	Outstanding
Common	300,000 shs.	250,409 shs.
No par value.		
Preferred	$15,000,000	$9,000,000
(7% cum., par $100).		

Funded Debt—
None.

Dividend Record—
Preferred—7 per cent cumulative, participating, payable quarterly.
In arrears as at Dec. 31, 1930, $29.75 per share.
A dividend of 3½ per cent was paid Dec. 31, 1930. This was the first payment made on the stock.
Dates payable—June and Dec. 30.
Common—None paid.

Officers and Directors—
Officers—G. H. Whigham, chm. of board; Dr. Camille Dreyfus, pres.; W. McC Cameron, vice-pres.; Lee Cadien, sec. treas.; C. W. Palmer, vice-pres. in charge of sales; R. H. Sperling, factory mgr.; C. Hessey-White, sales mgr.
Directors—Dr. Camille Dreyfus, New York; Brig.-Gen. Sir W. Alexander, London, Eng.; C. L. Auger, Patterson, N.J.; Lee Cadien, W. McC. Cameron, New York; Dr. H. Dreyfus, London, Eng.; P. A. Thomson, A. Schwartz, Montreal; G. H. Whigham, New York.
Finance and Executive Committee—P. A Thomson (chm.), G. H. Whigham, Dr. Camille Dreyfus, W. McC. Cameron.

Earnings per Share and Div. Record:

	1931	1930	1929
Pref.: Earned*	$8.95	$9.02	$4.06
Paid	7.00	3.50	...
Com.: Earned†	0.70	0.72	...
None paid.			

*Before making provision for arrears in preferred dividends.
†Before making provision for arrears in preferred dividends, but after deduction of full year's dividends on preferred stock, namely $630,000.

Four Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1928 ...	180,409	......	851,649
1929 ...	527,519	......	1,216,966
1930 ...	1,254,530	315,000	1,713,479
1931 ...	1,260,449	630,000	1,730,478

Market Record—

	1931 H	1931 L	1930 H	1930 L	1929 H	1929 L
Com.	14½	6	17	5	30½	11½
Pref.	73½	59	74	51	63½	40

WOODS MFG.

Difficult Year Encountered—Balance Sheet Improved

Last year proved a difficult one for the Woods Manufacturing Co. In addition to sustaining an operating loss, the company found it necessary to set up an additional reserve against depreciation of inventories, which, together with other charges, resulted in a net deficit of $171,268 for the year.

Favorable features in viewing the outlook include the fact that inventories were taken at cost or market and the quantity and value of goods in stock at the end of 1931 was the smallest in the history of the company. Bank loans were also at a low point, totalling $19,000 compared with $225,000 at the end of the previous year. The liquid position was improved and sinking fund operations are reducing the total of bonds outstanding.

Makes Jute Products

The company is confronted with the same difficulties which face cotton manufacturers. Woods Manufacturing makes jute and cotton cloth bags, burlaps, tents and tarpaulins. The company also supplies a wide market in heavy clothing of the type used by lumbermen and contractors, though this outlet has been considerably reduced through unemployment in those industries.

Properties comprise a cotton mill at Welland; bag manufacturing plants at Montreal, Toronto and Winnipeg and a factory for the manufacture of lumbermen's and contractors' tents and supplies at Hull. In addition, a plant is operated at Ogdensburg, N.Y., for the manufacture of sleeping bags.

Change in Structure

An important feature of the company's position this year was the reduction of common share capital by an amount sufficient to write down goodwill to $1. The balance sheet at the end of 1931 showed goodwill at $1,673,941. Shareholders also approved a plan to convert the common stock, of which there was $1,710,600 of $100 par value outstanding, into an equal number of no par value common shares which will also find reflection in the forthcoming report.

Capitalization—

	Authorized	Outstanding
Common	$2,492,000	$1,710,600
Preferred	2,481,800	1,528,300
Par $100.		

Funded Debt—

1st mtge. 6% bonds, series 'A' due 1943	2,000,000	740,000

Dividend Record—
Preferred—7 per cent per annum, payable quarterly, Jan., Apr., July and Oct. 1. Passed Apr. 1, 1931. None since.
Common—Last paid Sept., 1923.

Officers and Directors—
Officers—T. Mitchell, vice-pres. and gen. mgr.; Harold Crabtree, vice-pres.; J. T. F. Keene, sec.-treas.
Directors—S. E. Woods, Ottawa; Glyn Osler, Toronto; Thomas Mitchell, J. W. Pyke, Harold Crabtree, Montreal; G. S. Browne, Westmount, Que.

Times Bond Interest Earned—

	1931	1930	1929
Before deprec.	....	....	4.23
After deprec	....	....	3.60

Earnings per Share and Dividend Record:

	1931	1930	1929
Pref.: Earned	....	....	$8.19
Paid	....	$7.00	7.00
Common: Earned ..	....	....	1.07
None paid.			

Ten Years' Earnings—

Year	Earnings	Dividends	Surplus
1922	$400,552	$245,743	$409,176
1923	12,128	211,371	66,973
1924	264,579	107,299	97,551
1925	310,647	106,981	176,470
1926	†28,486	106,981	206,153
1927	229,678	106,981	225,967
1928	281,043	106,981	295,912
1929	222,266	106,981	314,173
1930	*69,208	106,981	71,859
1931	*30,666	......	200,591

*Loss.
†After writing off losses from depreciation in market values of cotton and jute.

Market Record—

	1931 H	1931 L	1930 H	1930 L	1929 H	1929 L
Common	..	..	..	..	30	30
Pref. ..	40	36	74	60	80	75

Silk Industry Grows Fast

Since 1917 the Canadian silk industry has shown remarkable expansion. During this period the number of plants increased 178 per cent, capital invested by 1272 per cent, employees 554 per cent, salaries and wages 1102 per cent, materials used 812 per cent and gross value of products 651 per cent.

DOMINION LINENS

Directors Plan to Sell Business After Several Lean Years

Dominion Linens Ltd. showed a small profit on operations in 1931 but increased deficit to $261,793 from $114,503 through write-off of $129,760 on account of Flax Spinners Ltd. a subsidiary. The company was originally organized in 1914 to manufacture cotton and spin yarns and produce linen goods. Operations have not proved successful and two plants have been closed down. The present directorate is desirous of retiring and has recently invited tenders on preferred and common stock of the company.

Capitalization—

	Authorized	Outstanding
Common	$200,000	$200,000
Preferred 7% ..	350,000	350,000

Par $100. Preferred has preference as to assets and dividends.

Funded Debt—
None.

Dividend Record—
Preferred—7 per cent per annum, paid regularly to 1923; none since.
Common—5 per cent paid 1920; none since.

Officers and Directors—
D. M. Sanson, pres.; Geo. D. Perry, vice-pres.; Geo. H. Muntz, G. H. Townsend, E. A. MacDonald, sec.-treas.

IMPAIRMENT ACCOUNT

	13 mos. ended Jan. 31, 1932 $	Year ended Dec. 31, 1930 $
Net profit	676	*44,338
Less:		
Tillsonburg exp.	338	204
W/o Tillsonburg bldgs., plant, etc.	15,147	......
Accts. travellers w/o ...	2,721	......
W/o re flax spinners ..	129,760	......
Sundry adjust.	......	527
Deficit	147,290	45,069
Prev. debit bal.	114,503	69,434
Balance at debit	261,793	114,503

*Loss.

PATON MFG. CO.

Lack of Report Makes Analysis Difficult Matter

Paton Manufacturing Co. is one of the largest and oldest woollen organizations in Canada. Its mill is located at Sherbrooke and gives employment to a substantial number of workers.

Conditions in the woollen industry are not encouraging at the moment, though tariff changes have aided the Canadian manufacturer to some extent. Since Paton Manufacturing Co. does not issue a financial statement, and there is virtually no public investment interest in the company's securities, there are no means of judging how the company is surviving the difficult conditions surrounding the industry.

Capitalization—

	Authorized	Outstanding
Common	10,000 shs.	10,000 shs.
(No par value).		
Pref. 7% cum. ..	$600,000	$600,000
(Par $100).		

Both stock issues are closely held.

Funded Debt—
First mortgage, 6 per cent bonds, due 1953; outstanding $744,200.

Dividend Record:
Preferred—7 per cent per annum, cumulative, payable quarterly, March, June, Sept. and Dec. 1. Paid regularly since June 1, 1923.
Common—None reported.

Officers and Directors—
Officers—F. G. Daniels, pres. and man. dir.; J. M. Mackie, vice-pres.; J. H. Webb, sec.-treas.; A. F. Anderson, asst. sec.-treas.
Directors—F. G. Daniels, J. M. Mackie, J. N. Laing, Sir C. B. Gordon, Sir H. S. Holt, A. J. Brown, all of Montreal.

Market Record—

	1931 H	1931 L	1930 H	1930 L	1929 H	1929 L
Com.	35	30	50	25	56	53
Pref	94	82	95	95	95	90

HARDING CARPETS

Business on Large Contracts is Largely Reduced — Loss in 1931

Harding Carpets Ltd. manufactures carpets and rugs and specializes in seamless Axminster and Wilton rugs. Plant is located at Brantford, Ont. Formed in 1927, the company earned money in 1928 and 1929 and handled numerous large contracts but in the year ended October 31, 1931, had a loss of $5,310 on operations. Due to lack of activity in the construction of hotels, theatres, stores, etc., one of the most remunerative sources of income is largely reduced.

The company has never paid dividends and has no funded debt. Bank loans have been reduced annually since 1929 and at October 31, 1931, stood at $209,000. At that date current assets totalled $328,-785 and current liabilities totalled $222,683.

Capitalization—

	Authorized	Outstanding
Common	20,000 shs.	20,000 shs.
(No par value).		
Preferred	$1,000,000	$750,000
(1% cum. Par $100).		

Funded Debt—None.

Dividend Record—
Jan. and July 1. None yet paid.
Preferred 7 per cent per annum, cumulative from Jan. 1, 1928, payable half-yearly.
Common—None paid.

Officers and Directors—
Officers — C. V. Harding, pres.; E. A. Mott, vice-pres.; A. E. Cuthbertson, gen. mgr. and sec.; A. R. Wynn, treas.
Directors—C. V. Harding, J. S. Dickson, H. J. McLaughlin, S. W. McKeown, Lloyd Shier, Toronto; A. E. Cuthbertson, E. A. Mott, C. G. Cockshutt, Brantford; Frank Harding, St. Thomas.

Earnings per Share:

	1931	1930	1929
Preference: Earned ..	nil	*$0.35	[illegible]
None paid.			

*Before depreciation.

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KNITTED OUTERWEAR

for Men, Women and Children

Ladies' Full Fashioned Hosiery
Men's Silk and Wool Socks
Seamless Hosiery for Women and Children
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The Monarch Knitting Company, Ltd.

Factories at Dunnville, St. Thomas, St. Catharines

Head Office: Dunnville, Ont.

Branch Offices:
Toronto, Hamilton, Ottawa, Winnipeg, Calgary, Vancouver, Moncton

also

The Monarch Knitting Company of Quebec Limited

Confederation Building, Montreal

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PRESTIGE AND PROGRESS

PENMANS for more than sixty years have been leaders in the textile industry employing Canadian labour and materials in the manufacture of knitted underwear, hosiery and outerwear.

Infinite care in manufacture and unstinted use of the best materials have made Penmans products internationally known for their reliable quality and service — an enviable reputation which is jealously guarded.

While maintaining these standards Penmans have kept pace with the dictates of fashion by introducing, season after season, the smartest styles, the latest colours, the newest patterns, with the result that thrifty Canadians look to Penmans for fashionable lingerie, hosiery and sport garments.

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G.B.E.

President
R. B. MORRICE

Vice-President
A. F. BAILLIE

General Manager
H. W. LUNDY

Secretary-Treasurer
C. B. ROBINSON

Penmans

Penmans Limited

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Factories at: Paris, London, Brantford and Waterford, Ontario, St. Hyacinthe and Coaticook, Que.

CANADIAN T.S.R. OF LYONS LTD.

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Head Office: 1470 Peel St., Montreal, P.Q.
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Sales Offices:
MONTREAL TORONTO

Textile Industries Hold Important Place in Economic Fabric

PRINCIPAL STATISTICS OF THE COTTON TEXTILE INDUSTRY BY SECTIONS—1930

	Cotton yarn and cloth*	Cotton thread	Cotton batting and wadding	Cotton and wool waste	Cotton goods N.E.S.	Total
Establishments ......No.	33	7	8	7	22	77
Capital invested—						
Fixed capital ....$	54,051,002	1,733,783	1,195,465	498,133	339,160	57,817,543
Working capital .....$	24,491,802	2,480,292	1,470,487	543,094	786,489	29,772,164
Employees on salary—						
Male ....No.	412	60	33	11	34	550
Female ....No.	95	29	23	6	18	171
Salaries ....$	1,110,927	176,820	141,541	35,299	121,591	1,586,178
Employees on wages—						
Male ....No.	9,479	177	119	116	90	9,981
Female ....No.	7,013	430	95	53	297	7,888
Wages ....$	11,893,866	462,095	205,585	141,635	272,590	12,975,771
Cost of fuel ....$	666,132	25,403	13,359	5,171	8,440	718,525
Cost of electricity .....$	960,853	31,976	11,426	4,911	5,749	1,014,915
Power installed—						
Units ....No.	4,984	318	98	47	69	5,516
Capacity .........H.P.	66,015	1,987	709	895	377	69,983
Cost of materials ......$	27,975,574	1,577,661	1,447,880	1,143,574	943,511	33,088,200
Gross value of products.$	48,692,878	3,816,868	2,934,695	1,494,501	1,648,424	58,587,366
Net value of products..$	20,717,304	2,239,207	1,486,815	350,927	704,913	25,499,166

*Oilcloths and linoleums not included as in former years.

SUMMARY OF SILK INDUSTRY—1930

Establishments	No.	25
Capital employed	$	30,506,060
Employees on salaries—		
Male	No.	330
Female	No.	106
Salaries	$	803,005
Employment on wages—		
Average number—		
Male	No.	2,391
Female	No.	2,566
Wages	$	3,915,585
Power installation—		
Cost of fuel and electricity	$	210,512
Units	No.	8,897
Capacity	H.P.	10,116
Cost of materials	$	7,633,329
Gross value of products	$	17,808,598
Net value of products	$	10,175,269

SUMMARY OF WOOLLEN TEXTILE INDUSTRIES BY SECTIONS—1930

	Woollen cloths	Woollen yarns	Carpets, mats and rugs	Woollen goods N.E.S.	Total woollen textile industries
Establishments ....No.	46	26	19	25	116
Capital invested ....$	20,202,796	7,174,100	6,628,481	8,476,055	42,481,432
Employees on salaries—					
Male ....No.	249	37	158	76	520
Female ....No.	66	22	44	22	154
Salaries ....$	724,439	123,021	442,024	234,306	1,523,790
Employees on wages—					
Average of—					
Male ....No.	2,008	677	601	746	4,032
Female ....No.	1,552	832	367	253	3,044
Wages ....$	2,681,823	940,175	850,695	816,024	5,288,717
Outside piece-workers—					
Male ....No.	....	....	....	....	....
Female ....No.	43	....	....	4	47
Amount paid ....$	2,636	....	....	349	2,985
Cost of fuel and electricity......$	335,858	117,973	79,871	98,622	632,324
Power employed—					
Units ....No.	1,297	241	411	463	2,412
Capacity ..................H.P.	12,228	4,199	3,504	8,553	28,484
Cost of materials ....$	6,603,930	2,924,001	1,955,945	2,597,953	14,081,829
Value of products ....$	12,347,672	5,089,204	4,801,066	5,259,588	27,497,530
Value added by manufacture.....$	5,743,742	2,165,203	2,845,121	2,661,635	13,415,701

IMPORTS OF TEXTILE PRODUCTS

(Fiscal years 1926-1931)

	U.K.	U.S.	All countries
Total Cotton and Its Products			
1926	$16,128,699	$43,599,436	$62,474,874
1927	15,133,478	35,525,792	54,149,009
1928	13,796,837	40,669,125	58,322,542
1929	13,616,887	40,266,761	63,293,783
1930	11,843,311	38,614,227	54,065,055
1931	8,464,495	23,424,230	35,263,489
Total Wool and Its Products			
1926	36,304,734	3,847,595	46,036,182
1927	39,101,610	3,428,240	50,575,753
1928	37,364,117	2,676,191	48,832,356
1929	41,115,840	3,601,113	54,428,616
1930	35,040,366	3,021,193	46,644,026
1931	25,312,849	1,911,648	33,637,656
Total Silk and Its Products			
1926	2,506,452	8,025,233	25,541,363
1927	2,446,082	8,297,660	30,079,476
1928	2,280,572	8,603,718	29,963,007
1929	1,616,425	10,700,312	29,615,120
1930	1,329,586	11,922,663	27,967,557
1931	786,458	9,488,568	18,880,607
Total Flax, Hemp and Jute Products			
1926	6,014,919	5,085,959	16,887,193
1927	6,005,792	3,316,038	14,255,758
1928	6,653,391	2,749,804	15,122,116
1929	7,153,973	1,871,310	15,854,434
1930	6,611,817	2,082,129	14,716,510
1931	4,586,170	1,647,748	10,472,115
Total Fibres, Textiles and Textile Products*			
1926	70,153,478	79,115,464	184,761,831
1927	72,713,473	66,964,208	183,583,931
1928	71,464,176	69,430,521	186,995,814
1929	77,021,060	81,889,787	206,444,044
1930	68,243,821	71,997,597	185,241,252
1931	49,199,666	48,251,873	130,717,022

*Including articles not listed above.

SUMMARY OF KNIT GOODS AND HOSIERY INDUSTRY—1930

Establishments	No.	167
Capital	$	65,047,351
Employees on salaries	No.	726
Male	No.	726
Female	No.	527
Salaries	$	2,569,078
Wage-earners (average number)—		
Male	No.	5,483
Female	No.	11,425
Wages	$	12,176,035
Outside piece workers—		
Male	No.	5
Female	No.	699
Amount paid	$	53,151
Cost of fuel and electricity	$	645,989
Power installation—		
Units	No.	2,503
Capacity	H.P.	16,495
Cost of materials	$	25,509,913
Gross value of products	$	54,117,924
Net value of products	$	28,608,011

EXPORTS OF TEXTILE PRODUCTS

(Fiscal years 1926-1931)

	U.K.	U.S.	All countries
Total Cotton and Its Products			
1926	$ 185,559	$ 135,431	$1,291,012
1927	143,362	59,824	631,431
1928	423,532	65,750	1,009,560
1929	127,232	35,538	701,806
1930	218,175	19,917	842,588
1931	203,268	26,795	763,679
Total Wool and Its Products			
1926	27,710	2,474,817	2,855,845
1927	109,982	1,469,083	1,822,168
1928	733,298	2,414,259	3,506,838
1929	222,550	2,625,865	3,256,693
1930	234,517	1,434,381	2,025,655
1931	113,923	405,086	872,582
Total Silk and Its Products			
1926	94,100	20,679	247,200
1927	4,259	6,512	81,166
1928	856	6,823	137,358
1929	1,980	7,463	724,610
1930	999	14,487	153,280
1931	1,121	7,442	96,416
Total Flax, Hemp and Jute Products			
1926	11,025	102,196	143,866
1927	2,132	99,752	108,124
1928	663	51,703	81,804
1929	4,766	34,999	49,583
1930	2,441	20,706	31,072
1931	891	9,034	15,974
Total Fibres, Textiles and Textile Products*			
1926	1,244,060	4,621,774	8,840,046
1927	860,030	3,451,081	7,665,563
1928	1,896,794	4,922,004	10,904,073
1929	810,836	4,930,498	9,678,019
1930	976,568	3,961,130	9,066,226
1931	1,048,925	2,068,531	6,504,182

*Including articles not listed above.

CANADIAN SALMON SCOTTISH SALES INCREASE LARGELY

United States and Russian Imports Show Corresponding Drop

A. J. Tingley, assistant trade commissioner, reports from Glasgow under date of April 29, 1932, that during the preceding three months there had been a large increase in the sale of Canadian canned salmon in Scotland. The Scottish agent for one of the largest packers on the Pacific Coast states that more than three times the quantity of his pack of Canadian salmon has been sold to date this year as during the same period in 1931.

For example, in the three months ended March 31, 1930, the canned salmon imports to the United Kingdom from Canada amounted to 28,106 hundred weight, in 1931 to 25,993 hundred weight and in 1932 to 51,252 hundred weight and the values for these three periods respectively were as follows: $121,408, $101,651, and $179,095.

In this period the imports from the United States dropped from 69,298 hundred weight in the first three months of 1930 to 44,728 hundred weight in the first three months of 1931 and down to 18,578 hundred weight in the first quarter of 1932.

The total imports for the first quarter of 1932 by the United Kingdom were 117,210 hundred weight, as compared with 106,598 in 1931 and 151,089 in 1930 for the three months' period so that Canada's percentage gain was enormous when it is considered that in the two years there was a total decline in salmon imports. In spite of the total increase by hundred weight in the first three months of 1932 as compared with 1931 there was a declinee in value from £464,094 to £391,171.

In 1929 Canada supplied less than 11 per cent of Britain's requirements while in the first quarter of 1932 it is credited with nearly 44 per cent.

This result is partly due to the more favorable exchange rate on Canadian as compared with United States funds and to the effect of the Buy British campaign initiated by the Empire Marketing Board as well as to the plentiful pack in British Columbia and the high quality of the Canadian product. A film showing the salmon industry of British Columbia, exhibited at various traders' gatherings, has been an effective means of publicity.

The principal market is for Canadian sockeye and Canadian pink salmon. Cohoes and chums are practically unknown. Quotations for salmon are usually made c.i.f. United Kingdom ports. Bavarian salmon is classed for quality on arrival, while Canadian is inspected before shipment.

Woods Manufacturing Company, Limited

Jute and Cotton Bags
Hessians, Buckrams
Paddings and Twine

Tents
Flags
Tarpaulins
Clothing and Cotton Fabrics

Factories at MONTREAL, TORONTO, OTTAWA, WINNIPEG, WELLAND

Head Office: MONTREAL

HAMILTON COTTON

Deferred Preferred Dividend Because of Lower Price Levels

Directors of Hamilton Cotton Co. decided to defer the preferred dividend of 50 cents per share due January 1, 1932, because the decrease in prices received for finished products of the company was considerably more than the total of the drop in the cost of raw materials. Substantial economies have been made in operating expenses but not enough to keep profits at the old level.

The company's working capital at the end of 1931 was comparatively strong, but earnings on the preferred were only a fraction of what was necessary for dividends.

The Hamilton Cotton Co. was incorporated in 1928 under Dominion laws but the original business had its inception in 1880 and was run as a partnership until 1918 when it was incorporated as a private company. The plants of the company are at Hamilton where it spins, weaves and manufactures a diversity of products including elastic webbing, webbing for straps, yarn and twine, cordage cotton products such as clothes lines, sash cords and cotton cloth such as overall cloth, denims. The company spins all its own yarn and has a surplus of 55 per cent which is sold, and also does all its own dyeing and bleaching. Customs work in dyeing and bleaching brings additional business revenue to the company each year.

The cloth manufactured by the company is sold to Canadian Cotton under a special agreement and products are distributed throughout Canada by various selling agents and also to the United States, England, South America and New Zealand.

Capitalization—

	Authorized	Outstanding
Common	$600,000	$600,000
Preferred	600,000	584,910

(Par value $30).

Funded Debt—
First mtge. 5½ per cent series "A" bonds, due 1948, $930,000.

Preference—Entitled to $2 per share per annum payable Jan., April, July and Oct. 1. Initial dividend paid July 1, 1928, and regularly to and including Oct. 1, 1931; none since.
Common—None paid.

Officers and Directors—
Officers—Alan V. Young, pres. and gen. mgr.; J. V. Young, vice-pres. and treas.; J. C. Burns, asst. treas.; John Bowstead, sec.
Directors—Alan V. Young, J. V. Young, W. S. Burrill, M. B. Holton, George Armstrong, Hamilton; Dunlop Stewart, H. R. Tudhope, Toronto.

	1931	1930	1929
Times Bond Interest Earned	1.06	1.86	2.50

Earnings per Share and Dividend Record—

	1931	1930	1929
Pref.: Earned† ...	$0.17	$2.32	$4.19
Paid	1.50	2.00	2.00
Common: Earned†..	nil	0.31	2.15
None paid.			

†Before deduction of income tax.

Four Years' Earnings—

Year	*Earnings	Dividends	Surplus
1928	$186,844	$30,000	$282,687
1929	137,451	39,360	317,018
1930	97,942	39,152	320,114
1931	54,797	29,268	293,056

*After depreciation.

Market Record:

	1931 H	1931 L	1930 H	1930 L	1929 H	1929 L
Pref.	19	8	25	16	35½	21½

TOOKE BROS.

No Improvement in Profit Expected for Year Just Closing

Earnings of Tooke Bros. which had a temporary spurt in 1929 and 1930, showed a sharp decline in the year ended June 30, 1931, and it is understood that there is little prospect of an improvement for the fiscal year just closing. In the last fiscal period earnings were not sufficient to cover preferred dividends and the distribution on the 7 per cent preferred stock was omitted in September, 1931.

The company manufactures shirts, collars, neckwear, handkerchiefs, and a wide line of haberdashery. Products are marketed throughout the Dominion through numerous retail outlets, but contraction in public buying power has evidently found reflection in the demand for the company's merchandise.

Capitalization—

	Authorized	Outstanding
Common .... (No par value).	10,000 shs.	8,725 shs.
Preferred .... (7% cumulative. Par $100).	$1,250,000	$985,000

Funded Debt—
1st mtge. 7% bonds, due 1942 .. $258,700

Dividend Record—
Preferred (new)—7 per cent per annum, cumulative, payable quarterly, Jan., Apr., July and Oct. 15. Dividends accrued from Jan. 1, 1927. Initial dividend, 1¾ per cent paid April 15, 1927. Payment due Oct. 15, 1931, passed. None since. Arrears of dividends on old preferred settled by capital reorganization in 1927.
Common—None paid on either old or new.

Officers and Directors—
Officers—W. M. Weir, pres.; D. A. Young, vice-pres. and man. dir.; G. W. Pratt, acting sec.-treas.
Directors—D. A. Young, H. J. Tribey, Montreal, P.Q.; W. M. Weir, W. K. Trower, W. G. Hanson, Westmount, P.Q.; Lt.-Col. C. W. McLean, Point Claire, P.Q.

Times Bond Interest Earned— Years Ended June 30

	1931	1930	1929
Before deprec.	2.31	9.01	8.20
After deprec.	1.80	8.10	7.34

Earnings per Share and Dividend Record—

	1931	1930	1929
Pref.: Earned	nil	$12.05	$11.63
Paid	$7.00	7.00	7.00
Com.: Earned	nil	5.70	6.06
None paid.			

Ten Years' Earnings—

Year	Earnings	Dividends	Surplus
1922	†$32,851	$34,475	$102,572
1923	61,910	......	124,821
1924	92,117	......	169,434
1925	100,824	......	219,880
1926	116,777	......	290,056
1927	112,345	34,475	325,375
1928	109,696	68,950	324,934
1929	155,856	68,950	337,231
1930	163,185	68,950	386,965
1931	40,320	68,950	258,937

†Loss.

Market Record—

	1931 H	1931 L	1930 H	1930 L	1929 H	1929 L
Com.	22	10	30	22	35	10
Pref.	67	48½	80	67	82	60

MONARCH KNITTING

Showed Profit in 1931 After Loss in 1930 — Hosiery Business Better

Monarch Knitting Co. showed improved prospects during 1931 and changed an operating loss of $59,613 reported in 1930 into an operating profit of $52,511. Decrease in importations aided the hosiery branch of the business although knitted goods were seriously affected by competition from foreign producers.

With plants at Dunnville, St. Thomas, and St. Catharines, Ont. and warehouses from coast to coast, the present company was formed in 1912 to take over the predecessor company established in 1903. Production includes heavy and fancy knit goods, lingerie and hosiery. Working capital position was improved in 1931 and bank loans and inventories were reduced to the lowest point in some years. Expiration this month of the trade treaty between Canada and France is expected to aid the company.

Capitalization—

	Authorized	Outstanding
Common	$1,275,000	$1,275,000
Pref. 7% cum. ..	750,000	750,000

Shares $100 each.

Funded Debt—
None.

Dividend Record—
Preferred—7 per cent per annum, payable quarterly, Feb., May, Aug. and Nov. 1. Dividends were in arrears from Jan. 31, 1925, but were resumed on May 1, 1929, and paid during 1929 and 1930. As at Dec. 31, 1931, the preferred was 36 1-6 per cent in arrears. Payment due Feb. 1, 1931, passed, and since.
Common—None since 1921.

Officers and Directors—
Officers—J. A. Burns, pres.; T. A. Russell, vice-pres.; W. J. Appleyard, sec.
Directors—J. A. Burns, Dunnville, Ont.; T. A. Russell, A. E. Ames, F. H. Deacon, G. C. Biddle, Toronto.

Earnings per Share and Dividend Record—

	1931	1930	1929
Pref.: Earned	$2.12	....	$15.27
Paid	....	$7.00	5.25
Common: Earned..	....	....	*4.86
None paid.			

*After deduction of full year's preferred dividend but disregarding preferred dividend arrears.

Ten Years' Earnings—

Year	Earnings	Dividends	Surplus
1922	$116,531	$52,500	$547,104
1923	114,888	52,500	609,492
1924	†52,325	52,500	504,667
1925	*2,302	4,375	352,594
1926	*32,682	......	385,276
1927	*78,046	......	456,953
1928	*123,140	......	570,274
1929	147,642	39,375	645,426
1930	†59,613	52,500	498,313
1931	52,511	......	514,196

†Loss.
*After all charges and provision for depreciation.

Market Record—

	1931 H	1931 L	1930 H	1930 L	1929 H	1929 L
Common	1	1	..	..	9	9
Pref. ..	38	38	65	54	70	45

Nesbitt, Thomson and Co. Issue Booklet on Bonds

From Our Own Correspondent

MONTREAL.—Nesbitt, Thomson & Co. have published a new booklet giving detailed information on the various Dominion, Dominion guarantees and provincial bond issues presently outstanding. In addition the booklet contains tables of maturities which have to be met in New York funds over the next five years.

This information is presented in new form. A quarter page is devoted to each issue with a uniform set-up containing data as to the name of the issue, amount outstanding, interest rate, interest dates, maturity, manner of payment of principal and interest, callable feature and in the case of the direct issues of the Dominion the additional information as to tax status and denominations is shown.

Copies of this book are being distributed without cost to those interested.

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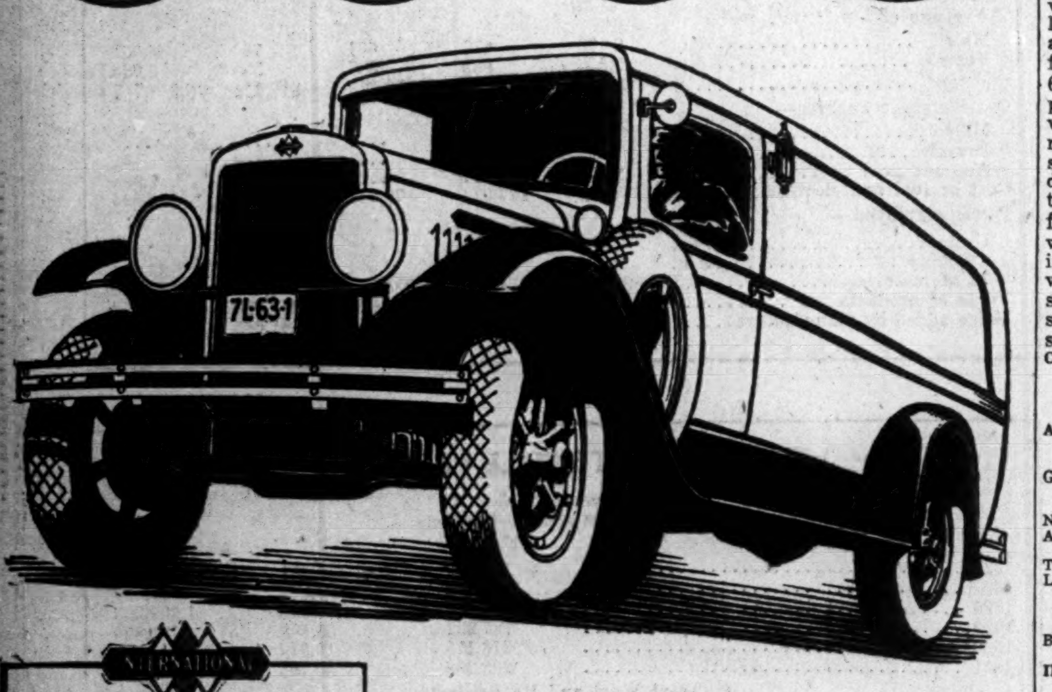
How Do Your Truck Costs Compare with These?

3 2/5¢ a Mile in Laundry Service | 3¢ a Mile in Bottler Service | 4 1/3¢ a Mile in Transfer Service | 5 3/4¢ a Mile in Bakery Service



Economy Talks

A milk hauler operates a 1½-ton International at a cost of 4⅔ cents a mile.

A laundry operates a Model AW-1 at a cost of 3⅖ cents a mile.

A baking company covers 196,993 miles, making 529,127 stops at a cost of less than 4 cents a stop.

A bottler operates a 6-cylinder, 2-ton International at a cost of less than 6⅓ cents a mile.

A florist operates an International for three years for less than 5 cents a mile, all costs included.

A cartage company operates a 3-ton International in mountain country at a cost of about 9⅓ cents a mile.

An oil company operates a 3-ton International with tank body at a cost of less than 7 cents a mile.

A township hauls children in International buses over period of six and one-half years at a cost of slightly more than 9⅓ cents a day.

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WHETHER you haul for yourself or for others, the cost of truck mileage is a matter of vital concern to you. A few dollars one way or the other at the time the truck is bought make little actual difference; but *a few cents one way or the other in the cost per mile spell the difference between profit and loss on the whole truck investment.* In these times no man can afford to overlook operating costs when planning to purchase a motor truck.

Guess-work is no guide. Real everyday costs offer the kind of proof you need. International Harvester is prepared to supply such cost figures, based on the actual operation of International Trucks in nearly every line of business.

Tell us your hauling problems and ask for cost records on the model which best meets your requirements. Compare these costs with the operating costs of any other truck of similar size and you will know why one user after another is adding to his International fleet at a time when real, lasting economy is of utmost importance. Prices, specifications, and cost records will be supplied on request.

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INTERNATIONAL TRUCKS

BLDG. PRODUCTS LOWERS DIVIDEND CAPITAL STOCK

Rate Reduced to $1.40 Compared With $2 Formerly

From Our Own Correspondent

MONTREAL. — Building Products has reduced the dividend rate on its common shares from $2.00 to $1.40 per annum with declaration of 35 cents a share payable July 2 to shareholders of record, June 16th. Earnings in 1931 were equal to $2.18 a share on the common.

There are 116,346 shares of "A" stock outstanding and 4,500 shares of "B"; both stocks rank equally for dividends, but the class "B" shares have voting privileges.

Results of 1931 were somewhat less satisfactory than those of the previous year, net profits totalling $263,820 compared with $326,434 in 1930. Earnings in the first few months of the current year were on a reduced scale, but this contraction was explained in part by a change in accounting methods which found an adverse reflection in early results.

New Lines Distributed

Hopes are entertained by the management that new lines placed in the market this year will tend to stimulate sales. In the past two years considerable expansion has been undertaken at the company's Hamilton plant and additional lines have been introduced in recent months.

While the name of the company indicates a material dependence on new constructions for business, it is stated that the repair of old buildings provides a substantial market for the company's products. These include a wide line of building materials, including the new pre-molded asphalt plank and moldings, and asphalt floor tiles and shingles.

Ottawa Insists Fruit Plant Be Bought Within Canada

From Our Own Correspondent

VANCOUVER.—An unusual situation indicating the difficulties in the way of Imperial trade harmony and readjustment is furnished in the Okanagan fruit country where efforts have been made to establish a cold storage plant.

As the United Kingdom is expected to be a large buyer of Okanagan processed fruit, the growers thought it would be a nice gesture in the interests of Imperial trade to purchase equipment for this plant in Great Britain.

The money to pay for this equipment, however, was to be furnished by the Dominion government in the form of a grant, and when Ottawa learned that the appropriation was to go outside Canada the voucher was held up.

If the cold storage plant is to be built, the materials must be obtained as far as possible in Canada. On the other hand, Okanagan growers claim, British fruit buyers say that if they are expected to give preference to B. C. products they should expect reciprocal treatment when growers require products which they can supply.

EMPIRE BOARD ASKS DOMINIONS TO CO-OPERATE

Suggests Similar Industries in Different Countries Make Agreements

In promoting industrial co-operation, the countries in the British Commonwealth will serve not only a common purpose but also their national needs, states the Empire Marketing Board in its twenty-first report, entitled "Imperial Industrial Co-operation," pointing out that industrial co-operation between those engaged in the same industry in different countries should be based on agreements reached by them in consultation.

Any agreements which may be reached between countries will only be possible if the representatives meet in a spirit of co-operation and not of rivalry, the report states, and these agreements should have the effect of facilitating the growth of industry in less industrialized countries and the greater specialization of industry in the more highly industrialized countries, and should be subjected to periodic revision.

Tariffs Discussed

The report points out that while tariffs could legitimately be used to safeguard an agreement which had been entered into if the government concerned was satisfied that the agreement was in the economic interests of its own country, high custom duties for revenue purposes might operate in a protective manner and render the agreements ineffective.

In addition to co-operation between the same industry in different countries, the report indicates that the opportunity exists for closer relations between the organizations of consuming industries in some Empire countries (such as primary producers) and of manufacturing industries in other parts supplying these needs, whereby more trade can be secured for the Empire and whereby secondary industries in the less industrialized countries might develop, beginning perhaps as assembling industries, in close association with, and aided by, those in the more industrialized countries.

Brazilian Traction Earnings Are Reduced By Fall in Exchange

Difficulties in Remittance Cause Rise in Liquid Assets

DIFFICULT PROBLEM

Bank of Brazil Controls Rates and Amounts Available—Govt. Budget Balanced

Brazilian Traction Light & Power Co. net profits available for preferred and common stock amounted in 1931 to $9,389,103 as compared with $16,205,339 in 1930, equivalent in 1931 to $1.41 a share on the average outstanding common stock for the year after deducting $23,604 for the preference dividends paid. In 1930 earnings were equivalent to $2.50 a share on the common stock and in 1929 to $2.67 a share. The explanation of the sharp decline rests largely on the fact that the average rate of exchange for the Brazilian milreis in 1931 was 7.11 cents in New York funds, in 1930 was 11.97 cents and in 1929 was 12.06 cents. That effect is shown clearly in the following statement of earnings, income and surplus:

CONS. EARNINGS OF SUBSIDIARY COS.
Years Ended Dec. 31
(Excluding Inter-Company Items)

	1931 $	1930 $
Av. val. of Milreis (N. Y.)	7.11	10.88 cts.
Gross earn. from oper.	34,896,767	46,898,444
Net earn. from oper.	20,910,417	27,549,594
Add: Misc. rev.	105,944	192,837
Total rev. of subs.	21,016,361	27,742,431
Less: Bond int. & other chgs.	3,374,070	3,588,938
Depr. & S.F. res.	7,850,999	7,745,594
Bal. to Brazilian Tr.	9,791,292	16,407,899

INCOME AND SURPLUS ACCOUNT OF BRAZILIAN TRACTION, LIGHT & POWER CO.
(Years Ended Dec. 31)

	1931 $	1930 $
Net rev. fr. contract with subs.	9,791,292	16,407,899
Int. on inv. & misc. inc.	489,926	438,177
Total income	10,281,218	16,846,076
Less: Gen. & admin. exp.	442,115	420,737
Amortization prov.	450,000	400,000
Net profits	9,389,103	16,205,339
Less appropriations:		
Pref. dividends	23,604	24,315
Ord. dividends	†7,288,309	§12,051,542
Trans. to res.	....	....
Surplus for year	2,077,190	4,129,482
Add: Prev. surp.	13,682,553	11,306,893
Less: Spec. stk. divd. of 1% pd. Mar. 1, 1930, at $25 a sh.	....	1,573,821
	15,759,743	13,682,553

§Includes $2,544,521 representing stock dividend. †Includes $3,916,524, representing stock dividend.

Retained Money in Brazil

The decline in gross earnings of subsidiary companies in 1931 was therefore $12,001,677 or 25.59 per cent from 1930 figures and the decline in net earnings before depreciation was $6,639,177 or 24.10 per cent. The percentage of decline in average exchange rate of milreis into New York funds as based on actual remittances of money by the company was about 35 per cent or more than the drop in earnings. The situation was even worse than the average rate shows as the rate was 9.65 cents when 1931 began and 6.28 cents when it closed. The official average rate was 7.01 cents on the milreis but the company realized 7.11 cents, the lowest in its history. Worse still, there was not enough exchange cover to allow the company to make remittances even at these figures, and so the company retained part of its earnings available for dividends in Brazil.

Not Improved Yet

"The remittance situation has not materially improved since the end of the year," says A. .W Adams, secretary of the company, in communicating the report of the directors to the shareholders for consideration at a meeting to be held on July 5, 1932. "It continues to constitute the most difficult problem with which the company has to contend. Exchange transactions have been and still are directly controlled by the Bank of Brazil, which fixes the rate and distributes the available cover beyond the requirements of the Government; and that bank, though expressing the greatest anxiety to provide the companies with their full requirements, has been quite unable to do so. Under these circumstances, therefore, exchange rates for practical purposes are nominal, and while they have shown a tendency to improve, they must continue to be so regarded."

New Tax Burdens Come

Mr. Adams reports the companies affected to some extent by depressed economic conditions though operating ratio was a little better because of economies made, but anticipates inability to maintain the improvement in the current year because of the added burden of contributions necessary under the new pensions law together with increasing taxation and duties.

Working Capital Gains

Because under these conditions the company retained in Brazil nearly $5,000,000 which would otherwise have been paid in dividends working capital of the company advanced during the year from $10,295,541 to $15,630,296 and the ratio improved materially as well.

Working Capital

	1931 $	1930 $
Current assets	23,308,265	19,944,092
Current liabs.	7,677,969	9,648,551
Working capital	15,630,296	10,295,541
Ratio	3.03—1	2.06—1

The current assets shown above were valued at the end of both years in gold dollars at the rate of exchange on New York and because of the milreis decline a substantial fall in the gold dollar value of these milreis assets occurred. The company's temporary investments in Dominion Government bonds also declined and were written down by the transfer of $2,089,534 from the general reserve.

Liquid Assets Jump

The increase shown in current assets occurred in spite of a drop in inventories from $9,021,040 to $7,080,928 and in receivables from $5,114,628 to $4,572,697; cash advanced from $5,079,433 to $6,180,220 and Dominion bonds at market value went up from $728,991 to $5,474,420.

Floating liabilities declined by almost $2,000,000 chiefly in payables which came down from $7,780,752 to $5,569,349.

Fixed assets at $210,625,235 showed an advance of more than $2,000,000; securities of subsidiaries including advances made to them at cost were a little lower at $89,719,953; and sinking funds were increased according to requirements. Total funded debt still stands at $59,456,548, down nearly $400,000. Reserves increased in most instances; depreciation by nearly $3,000,000 to $49,569,217; sinking fund reserves by about $1,140,000; general amortization reserve by about $450,000; and general reserves increased $100,000 only to be decreased by $2,089,534 to cover exchange difference and depreciation in temporary investments so that general reserves now stand at $50,489,909.

Expended $5,800,000 on Properties

Mr. Adams stated that the cash expenditures on properties of subsidiary companies during 1931 amounted to $5,800,000. Miller Lash, president, gave details of how this amount was expended in various departments of the company's effort and indicated that work on various power projects and expansion plans had been slowed up considerably until demand for power and other services reawakens. Telephone services had been improved and better connections made with world systems.

As business conditions in Brazil have an important influence on exchange value of the milreis, Mr. Lash also reviewed the situation in Brazil. He stated that in 1931 Brazil had a favorable trade balance of £20,948,000, or 73 per cent more than in 1930. Decrease in importations accounted for this improvement. Brazil shipped 2,500,000 more bags of coffee than in 1930 but received £7,075,000 less for it. Burning of low grade coffee continued and the coffee tax was increased from 10 to 15 shillings a bag on coffee exported to facilitate this policy of destruction of surplus. The extra 5 shillings are to be used for redemption of the £20,000,000 coffee realization loan negotiated in 1930.

The provisional government has balanced the budget as the result of an economy campaign but could not accomplish proper service of external obligations. Sinking funds on the external debt had therefore been suspended as well as interest payments in cash with the exception of two previous interest funding loans. Interest for three years is being funded by the issue of 5 per cent bonds subject to yearly review but with the proviso that cash payments can be resumed when it is felt to be possible.

B. C. Electric Shows Depreciation Reserve

From Our Own Correspondent

VANCOUVER.—Total reserve of B. C. Electric Railway (B. C. Power) is about $20,000,000 for depreciation, according to figures presented to the city council by E. H. Adams, vice-president and comptroller. This, however, did not represent cash but was money reinvested in plant over a period of twenty to twenty-five years.

On capital valuation of city lines, President W. G. Murrin compared the B. C. Electric with Winnipeg Electric. Capital valuation of the Vancouver property was $11,570,000, said Mr. Murrin. The companies in Vancouver and Winnipeg were almost identical in equipment, and the Winnipeg company had offered to sell for $14,000,000.

These figures were produced as part of the company's argument that the fare agreement with the city could not be revised downward at this time.

Agriculture Gets Committee For Conference

From Our Own Correspondent

OTTAWA.—Completing the report in last week's Post of the organization built up at Ottawa to prepare for the Imperial Economic Conference, it should be recorded that the Bennett government has now created a sixth committee. This committee has to do entirely with agriculture and the nominal chairmanship is Hon. Robert Weir, minister of agriculture.

The active head, however, is Dr. E. S. Archibald, director of experimental farms, and the members include all the heads of branches within the department.

The purpose of the committee is to discover precisely what Empire markets are available to Canada in agricultural products, the amount of tariff preference that would be required, etc. Conversely, the committee is working out the amount of agricultural imports this country can take from other sections of the Empire.

British Farmers Visit Regina

A party of 400 British farmers will visit Regina in July during the course of their tour of Canada sponsored by the British National union, according to advices from the Regina Board of Trade. A party of 12 farmers visited Regina under the auspices of the British National union in 1930.

IRVING OIL CO. COVERS DIVIDEND BY WIDE MARGIN

Common Shareholders Get Exchange Offer for Holdings

From Our Own Correspondent

MONTREAL.—Record earnings and preferred dividend requirements covered over six times before income tax are revealed in figures released by Irving Oil Co. covering the fiscal year ended January 31, 1932. The company is one of the leading distributors of gasoline and its products in the Maritime Provinces.

In the period under review, gross earnings totalled $457,162 compared with $334,000 for the previous year. Write-offs included a reserve of $46,435 for bad and doubtful accounts and provision of $212,724 for depreciation. After these deductions, there remained $198,002 available for income tax and dividends.

Small Preferred Issue

Preferred dividends totalled $30,000. The company has no funded debt and through operation of a sinking fund, $18,750 par value of preferred has been retired since the beginning of the year. Operation of the sinking fund will retire a minimum of $15,000 annually hereafter.

Full details of the income account and balance sheet are not available. It is learned, however, that balance sheet position is satisfactory and total assets now amount to over $2,000,000. During the last fiscal year, Irving Oil further extended its operating scope to include Prince Edward Island having purchased the property of Aiken Oil Co.

An offer to exchange their stock for preferred has recently been made by Irving, Brennan & Co., investment bankers, to common shareholders of Irving Oil Co. The firm offers, subject to change in price and prior sale, one share of Irving Oil six per cent preferred stock in exchange for each two shares of common stock. There is no dividend being paid on the common at the present time; by exchanging two common for one preferred, old common shareholders will be placed in receipt of a dividend of $3.00 a share on the six per cent $50.00 par value preferred stock.

Expansion carried out by the company in recent years has included erection of storage tanks at Saint John, having a total capacity of 1,750,000 gallons. Similar storage is available at the company's plant in Halifax.

New Books

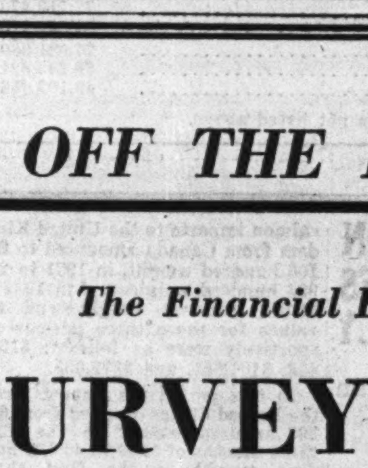
Quebec Year Book

Publication of the English edition of the Quebec Statistical Year Book for 1931 is announced. This volume constitutes a source of official information relative to the activities of the province.

The Year Book covers a wide variety of subjects and is well illustrated with graphical charts. There are in all some twelve chapters treating of the following subjects, among others: population, education, administration, economic activity, production, communication and transportation, organized labor, insurance and savings, etc.

The Statistical Year Book is distributed without charge to all persons who, in the exercise of their duties, are called upon to inform the public. All requests should be addressed to the Bureau of Statistics, Parliament Buildings, Quebec.

In Windsor the NORTON PALMER



The Border Cities' largest and most modern hotel—near—frequent—close to everything downtown—and only five minutes from Detroit.

A total of 350 guest and modern sample rooms—with the maximum of comfort and service.

RATES
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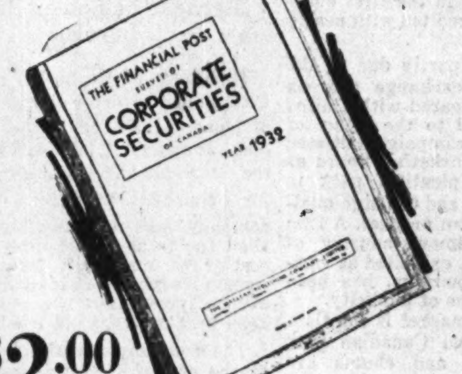
Also Private Suites

CAFETERIA and ENGLISH GRILL

JUST OFF THE PRESS

The Financial Post

SURVEY OF CORPORATE SECURITIES 1932



$2.00

What This Book Will Give You

1. Details of 1931 earnings of Canadian companies in which public has investment.
2. The background of each company—history of organization and development — names of officers and directors.
3. Details of all bond and stock issues.
4. Funds in which bond interest is payable.
5. Dividend rate and when payable.
6. Details of capital reorganization.
7. Balance sheets and earnings statements for 1931, 1930 and 1929.
8. Price range of stocks for 1931, 1930 and 1929.

MANY changes have taken place in the structure of Canadian companies in the past year. Difficult conditions have influenced operations and earnings. Reorganizations have been numerous. The new edition of The Financial Post Survey of Corporate Securities contains details of all such changes. It is essential that the investor secure this new edition if he is to know the present position of the companies in which he is interested.

Facts covered include: Earnings statements and balance sheets for 1931 compared with those of 1930 and 1929; details of each bond issue; whether interest is payable in Canadian, New York or sterling funds; times bond interest earned, etc.

Bonds and stocks of well managed and long established companies have declined drastically. Many appear to offer attractive opportunities if held for a reasonable period. The Survey of Corporate Securities supplies the information needed to enable the investor to determine the relative merits of securities; to study present holdings; to consider "switches."

Everyone with investments or funds to invest needs this book. Credit managers and sales managers will find it a valuable source of information on the position of Canadian companies to which they are selling.

Fill in the coupon below and send it in at once so that you may secure a copy without delay.

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Insurance for Buyer and Seller

MUTUAL OF N. Y. IS OLDEST FIRM ON CONTINENT

Withdrawal From Canada Severs Forty-seven Year Connection

ASSETS OVER BILLION

Present Policyholders Need Have No Fear About Protection of Their Future Interests

Decision to concentrate its business entirely in the United States is the reason given for withdrawal from Canada of the Mutual Life of New York, announced last week. Interests of its policyholders in Canada are of course completely protected and agency offices will be maintained in Montreal, Toronto and Winnipeg to service its $80,000,000 of business here as long as it remains outstanding.

This is the second time that Mutual of New York, the first company to write legal reserve life insurance in the United States, has centralized its operations, the company having in 1923 reinsured its foreign business which extended to many countries throughout the world. Most of this business was reinsured with Sun Life Assurance Co. of Canada. At that time Canada was the only country outside the United States in which its business was retained. At the same time two other leading United States companies also reassured their foreign business, namely, New York Life and Equitable of New York. Total business from these three companies reinsured by the Sun at that time was over $134,000,000. The Equitable of New York withdrew also from Canada at that time.

Blame New York Law

Primary reason for this concentration by leading United States concerns was the passing some years ago of what is known as the "Armstrong law" in New York state which sets definite limits on the acquisition and other costs of companies with head office in the State of New York. The effect of this law is to limit the operation of any company to territories where new business can be secured at a low cost. This can only be done where volume is large and Mutual of New York has never had a large volume in Canada.

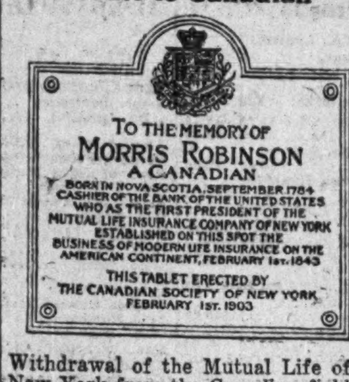
Plans for carrying on its connection in Canada, as announced by officials of the Mutual of New York, call for the retirement of W. O. H. Dodds, manager of the Montreal agency and chief agent for the company in Canada, at the completion of 40 years service with the company. He will continue, however, to be the company's chief agent here. C. O. Dozios, manager of the Winnipeg agency, will be transferred to Montreal to be special agent in charge of Montreal office. Harold MacGillivray, agency cashier at Toronto, becomes special agent at Toronto on the withdrawal in August of H. M. MacCallum, Toronto manager, who is also retiring from the company's service. T. H. Bulloch, agency cashier at Winnipeg, is to be appointed special agent in charge of Winnipeg agency.

Policyholders Protected

For the protection of Canadian policyholders, Mutual of New York has currently on deposit with the Receiver-general at Ottawa, approximately $14,000,000 of securites and this money will of course remain here on deposit as required by Canadian statutes. The change will in no wise affect the position of any existing policyholders of the company except that after August 1 when the plan of withdrawal comes into force, present or prospective policyholders in the company will be unable to increase the amount of their business outstanding or to take out new insurance with the company.

Mutual of New York issued its first policy on February 1, 1843,

Tribute to Canadian



Withdrawal of the Mutual Life of New York from the Canadian field draws attention to this tablet now at 56 Wall St., New York, and erected in memory of the company's first president—a Nova Scotian.

and was therefore the first company on this continent to practise legal reserve mutual life insurance. At the end of February, 1930, the company entered the select group of North American corporations having assets of over one billion dollars, it being the fifth life insurance company to achieve this position and the first to reach the pinnacle on a business limited to the writing of ordinary insurance on individual standard risks. At the end of 1931 total assets were $1,106,236,000 and total business in force was $4,450,294,000. Of this total, $80,427,000 was in Canada. Total business paid for in 1931 was $339,235,000 of which $5,649,000 was in Canada.

First President Canadian

The company had an early association with Canada in that its first president, Morris Robinson, a native Nova Scotian, was the company's first president. His association with the company is commemorated by a plaque at 56 Wall St., New York, the inscription on which is reproduced on this page. The company obtained a license to operate in Canada on Sept. 1, 1885, and has been doing business here since that time with agencies at Toronto, Montreal and Winnipeg.

Comparative figures of the company's Canadian business and its rank as compared with other American companies doing business here, follow. It must be remembered that total business of Travellers and Prudential is considerably swelled by group and industrial business which Mutual of New York does not write.

Growth of Business of Mutual of N. Y. in Canada

Year	Assets ($ 000)	Business in force ($ 000)	Gross New Ins. paid for ($ 000)
1927	16,978	78,973	8,442
1928	17,524	77,389	7,283
1929	18,797	81,258	8,034
1930	22,609	82,441	6,498
1931	23,918	80,427	5,649

Business in Canada of U.S. Companies, 1931

	Business in Force	New business Paid For
Metropolitan	$1,085,946,000	$158,016,000
Prudential	515,386,000	83,165,000
Travelers	185,368,000	12,882,500
New York Life	193,263,276	10,906,200
Aetna	89,648,000	6,142,000
Mutual of N.Y.	80,427,000	5,649,000
Occidental	9,182,900	840,200

Since 1902 the company has used as its corporate emblem an Indian figurehead surrounded by the words "The First American." The head depicted is that of a pure-blood Chippewa Indian known as "Oowah." This Indian lived in Winnipeg and Canadian authorities selected him as a representative type of the North American Indian in 1900. Hubert Vos, who was commissioned to execute his portrait for the company, was then in Devil's Lake, North Dakota. The Indian joined him there and posed for the portrait. The painting was completed in that year and now hangs in the company's head office.

Occidental Life Issues Report

Occidental Life Insurance Co. with head office for Canada at Winnipeg had $156,785,021 of business in force at the end of 1931 according to figures received by J. W. Miller, general manager of the company in Canada.

Total admitted assets are $24,127,800, and with a paid-up capital of $1,000,000 the company has a surplus of $1,820,419 for policyholders' protection.

The first policy of the company was written in Manitoba in 1887, and the Occidental will soon have completed 50 years of business here. In the early days the company confined its business to members of the Masonic fraternity only, such policies being issued by the Western Mutual Life Association which amalgamated with the Occidental in 1928.

FURTHER CUT OF $17,000,000 IN FIRE CAPITAL

Home and Crum and Forster Firms Take Steps to Save Surplus

Another $17,000,000 has been lopped from the capitalization of United States fire insurance companies according to announcements made within recent weeks. The largest and most recent reduction is Home Insurance Co. of New York which will ask shareholders on June 25 to approve slicing the capital stock in half from $24,000,000 to $12,000,000, thus creating an additional $12,000,000 for net surplus. The plan calls for a reduction in the par value of the stock from $10 to $5.

Other companies to take the capital plunge are two firms in the Crum & Forster group. United States Fire has proposed a reduction in capital from $5,000,000 to $2,000,000 by lowering the par value of the 500,000 shares from $10 to $4 each, thus transferring $3,000,000 to net surplus. North River directors recommend a capital reduction from $4,000,000 to $2,000,000 by cutting par value of the 800,000 shares in half to $2.50. Special meetings of shareholders will be held on June 21 to vote on these recommendations.

Two Operate in Canada

As at March 31, United States Fire is reported as having assets of $21,081,638; capital of $2,000,000 and net surplus of $4,758,167 after giving effect to the proposed capital change. Both Home Insurance and United States Fire are licensed to operate in Canada. North River does not transact business in Canada.

The following explanation of the move was given to Home shareholders by Wilfrid Kurth, president.

"You are familiar, of course, with the decline in the market value of securities during the past two years and the consequent reflection in the financial statements of this corporation as sent to you. The general belief is that such declines in market prices have resulted in quotations which do not fairly represent true intrinsic values. It is the market values, however, instead of the intrinsic values that are required to be set forth in the published statement, and the declines aforesaid when they appear in such statement show a corresponding decline in surplus.

"Your directors therefore feel that the corporation should place itself in a position in which even at the present low quotations it will be in possession of adequate net surplus to meet the requirements of law and the various state insurance departments of the country as well as to take advantage of opportunities for additional business, as opportunities arise."

Insurance Inklings

ROBERT McCONNELL, first general manager of the Royal Insurance Co., Liverpool & London & Globe and allied companies was recently the recipient of gifts from the home staffs of these companies and officials of the companies abroad on the occasion of his retirement from office.

Major GEORGE KAY, general manager of the Perth Mutual Fire Insurance Co. died suddenly two weeks ago at Stratford, Ont.

BERNARD VISE has been appointed manager of the Toronto branch of the Imperial Life to succeed W. A. Peace who has been manager for 20 years. Mr. Peace has been appointed general agent with offices at 20 Victoria St., the company's head office. Mr. Vise was formely manager of the company's Bay St., Toronto, branch.

CHARLES HERSHON, Canada Life representative in Montreal is the guest speaker at the June meeting of the Toronto Life Underwriters' Association. The subject of the address is "Servicing 4,000 policyholders."

W. A. MURRAY has been appointed branch manager for the North American Life Co. at Sherbrooke, P.Q.

Saskatchewan Residents Insured for $396,000,000

Saskatchewan residents carry life insurance amounting to $396,108,511, according to a compilation made by the provincial Minister of Public Works, net premiums on this amount in 1931 amounting to $12,632,895.

Death claims paid during 1931 totalled $1,868,700 as compared with $1,616,400 in 1930. Matured endowments amounted to $413,397 in 1931 against $490,646 in 1930. Amounts paid to policyholders in cash surrender values almost doubled in 1931, totalling $4,235,555 as compared with $2,461,914 in 1930. Other payments to policyholders, including dividends, amounted to $3,004,877 as against $2,801,728 in 1930.

Suggest New Policy Forms Effective on September 1

Further progress in regard to the adoption of uniform and suitable policy forms and endorsements for use under the new automobile insurance legislation, has been made in Ontario according to a memorandum sent out by the provincial superintendent of insurance this week.

A committee which has been working on the matter for some time has presented an interim report which recommends in part that the new act shall not be brought into force before September 31, 1932, in order to give ample time for the preparation of policies before that date. This recommendation has also received the approval of the association of superintendents of insurance for the provinces, who are agreed that the act shall be proclaimed effective in all provinces where it has been enacted or where the provinces have power to make it effective, by order-in-council, at that date.

Provincial Insurance Heads To Meet in Winnipeg

Association of Superintendents of Insurance of the Provinces of Canada have announced that their fifteenth annual convention will be held in Winnipeg on September 6, 7 and 8.

According to the announcement sent out by Arthur Dugal, president of the association and R. Leighton Foster, secretary, it is anticipated that this year for the first time every province in Canada will be represented.

GOLD SHIPMENTS ARE RICH HARVEST FOR UNDERWRITER

Insuring Cargoes of Precious Metal Enjoys Boom Conditions

Change in underwriting practice by London, Eng., insurers regarding the insurance of gold shipments across the Atlantic, draws attention to a phase of the insurance business that has certainly escaped the depression during the past five or ten years.

Since April of this year no less than $400,000,000 of gold has been shipped back across the Atlantic from the United States while in the past two and a half years Europe has reduced its gold balances in the United States from $3,000,000,000 to $900,000,000.

Costs $4,000 Per Million

It costs roughly $4,600 to ship $1,000,000 of gold from New York to Paris the costs being apportioned as follows: transatlantic freight charge, $2,500; rail freight cost from Havre to Paris, $1,000; insurance, $500; and loss of interest in transit about $600.

Transatlantic shipments have become so heavy in recent weeks that British underwriters have put into effect a new rule which limits the amount of gold that may be insured in any one vessel to $8,000,000. Thus if you sail out of New York on an Atlantic liner this summer you may be assured that it has not more than $8,000,000 of the precious metal aboard.

Most of the insurance on these rich cargoes is carried by London underwriters and toward the end of 1931 insurance of gold running into tens of millions was carried in this market. In the single week ending Wednesday June 8, no less than $129,000,000 of the yellow metal was exported from United States to meet demands of foreign nations on the U. S. hoard. To the American shipments must be added further large cargoes sent from India to Britain.

Accidents Happen

In some cases as much as $10,000,000 was being sent over on a single vessel, which, added to the value of the hull of the big passenger vessel meant a total risk of close on $20,000,000 on a single vessel. That accidents do sometimes happen is indicated by the fact that at this very time divers are busy attempting to salvage $5,000,000 in gold bullion from the steamer Egypt which was rammed and sunk by a cargo steamer off the French coast in 1922. The quest has already taken over two years and has cost two vessels and 15 lives. The bullion has just been reached and so far about $45,000 of it has been brought to the surface.

The concentration of such big risks created many reinsurance problems. Underwriting firms had to make reinsurance arrangements which taxed the market's capacity to the utmost. Against the general basic rate of 1/20 per cent, reinsurance rates rose in some cases to anything from 3/10 to ½ per cent. There was also a general feeling that some of the smaller vessels used in the "gold rush" were unsuitable for the purpose. In these cases also specially high rates were charged.

Rates Thought Low

London underwriters are now attempting to put these heavy gold coverages on a sound footing. Not only is it considered desirable to limit the amount carried on any one vessel, and to prevent the shipment of gold in unsuitable bottoms, but it is felt that the basic rate is low in view of the large risk involved.

At 1/20 per cent the underwriting insures the shipment of $5,000,000 of gold across the Atlantic for a premium of $2,500. So far these shipments have been free from any important loss. When last year a few bars were accidentally dropped into the harbor at Cherbourg they were quickly recovered and transported to the Bank of France in Paris.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA: HAMILTON, ONTARIO
Writing Fire and Automobile Insurance at Cost
Assets $4,616,449.70
ALL POLICIES NON-ASSESSABLE
Paying Dividends ranging from 25% to 40%
BRANCH OFFICES:
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, Saint John, Halifax and Charlottetown

PROTECTION
The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost.
This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.
Assets — $49,000,000.00
Independent Order of Foresters
FRANK E. HAND, Supreme Chief Ranger
HEAD OFFICE: TORONTO, CAN.

Strength - Stability - Service

Assurances in Force (Dec. 31, 1931)...$513,379,937.00
Assets......$125,848,128.74
Surplus Funds and Contingency Reserves......$12,412,836.25
MUTUAL LIFE ASSURANCE COMPANY OF CANADA
Established 1869
Head Office: WATERLOO, ONT.
A Purely Mutual Company
Every dollar of surplus earnings belongs to policyholders and is either actually paid or allotted as cash dividends or held in trust for future distribution. F1

Current Events in Banking World

BANKERS GIVING SQUARE DEAL, SAY MANUFACTURERS

Bankers Point Out That They Are Eager to Loan

Canadian manufacturers, taken as a whole, consider that the banks are dealing very fairly with them in the matter of credit during the present depression, according to statements made by trade representatives interviewed by The Financial Post. Of course, contraction of credit has taken place but, in the majority of cases, this would have occurred under any conditions, in view of the general business situation.

How far this experience varies from that of manufacturers in the United States is shown by the replies to a questionnaire sent out to members by Associated Business Papers, New York, which were summarized in the Post last week. With the exception of the food products industry most manufacturers in the United States feel that the banks are withholding credit even when the security is of the best and only a short term loan is required.

While there was no criticism of Canadian banks in respect to obtaining credit, the opinion was expressed that in some cases the banks are too liberal in their dealings and allow manufacturers to continue in business longer than is judicious. As collateral for bank loans is very often trade goods secured under section 88 of the Bank Act, this policy of allowing manufacturers to attempt to work out of their difficulties is said to result in a dissipation of assets so that little or nothing is left to satisfy other creditors.

Not only do bankers consider that they are dealing very fairly with industry but they point out that they are almost eager to make loans wherever the security is sound. One banker stated that there was nothing he would like better than for some firm to come into his office and put forward a sound request for a loan; he pointed out that with the loans of Canadian banks currently $100,000,000 less than they were a year ago the head office officials are eager to supply credit, and with branches running on virtually the same staffs and with the same overhead as a year ago branch managers are on the lookout for an outlet for their loanable funds and a source of revenue to maintain their branches.

Refuse Personal Loans

Bank managers admitted that they have had to refuse advances during the present depression, as during others, to professional and business persons who wished to loan from the bank in order to consolidate a series of small debts contracted, during better times, with credit and finance companies. They pointed out that this was not the duty of a commercial bank, the first duty of which was to industry.

Weekly Bank Clearings

Eastern Cities

	June 11, 1931	June 9, 1932
Halifax	$ 3,368,632	$ 2,629,529
Saint John	2,607,091	1,674,035
Moncton	927,104	713,137
Sherbrooke	863,904	594,326
Quebec	5,826,090	4,486,888
Ottawa	7,158,261	5,112,799
Montreal	122,528,537	75,416,283
Kingston	716,837	652,599
Peterboro'	775,782	575,589
Toronto	106,193,710	78,435,109
Hamilton	5,662,826	3,741,288
Kitchener	1,513,198	1,214,270
Brantford	1,102,267	890,551
London	3,213,956	3,038,822
Chatham	553,828	400,941
Windsor	3,587,934	2,231,670
Sarnia	576,712	443,739
Sudbury	897,607	498,637

Western Cities

	June 11, 1931	June 9, 1932
Fort William	$ 856,248	$ 618,115
Winnipeg	41,793,480	51,049,129
Brandon	452,087	376,436
Regina	3,812,701	2,810,714
Moose Jaw	778,932	555,209
Saskatoon	1,893,118	1,600,887
Prince Albert	389,189	290,932
Edmonton	5,348,582	4,225,995
Calgary	6,432,197	5,547,841
Medicine Hat	236,284	192,415
Lethbridge	448,570	328,793
New Westminster	640,028	484,748
Vancouver	20,167,927	21,720,966
Victoria	2,060,686	1,897,472

Banks Regard Insurance As Good Secondary Security

Often Suggest Business Insurance to Credit Applicants

Editor, The Financial Post:

I have been requested to address the local branch of the Life Underwriters Association on the interpretation which the banking institutions give to life insurance, the consideration and confidence they create in our mind toward our borrowing clients, the value attached to life insurance as subsidiary guarantee for loans, etc.

Would you be kind enough to refer me to some literature or previous address given on or about this subject in order that I may be guided in the preparation of the work that has been imposed upon me?

BANK MANAGER.

While bankers generally do not loan money on life insurance, leaving this service to the insurance companies, they consider it a first-class secondary security in arranging credits with a firm or individual. Bankers always enquire as to the amount of life insurance carried by a prospective borrower and in the case of a firm, they require that the amount of business insurance on the lives of the key men be listed. Where no insurance is carried it is almost general practice for the banker to suggest that this be remedied.

To the banker, the particular value of insurance on the life of a debtor lies in the fact that it provides a cash amount, available, in the case of an individual, to liquidate any loan in the event of death and in the case of a firm to provide funds to prevent forced liquidation of the business through demands of beneficiaries, this being particularly necessary in partnerships.

As a creator of confidence in the mind of the loaning banker, life insurance is particularly valuable. Although not assigned to the bank by a borrower its existence makes for confidence that anyone looking to the future security of his family in this way will do his utmost to repay loans without the bank having to go through the costly process of liquidating the collateral security.

Change U.S. Cash At Bank Branch, Tourists Urged

Make a bank the first port of call, urges the Montreal Tourist and Convention Bureau in a circular to all tourist bureaus in the United States, unless Canadian currency has already been obtained, as it is thus much easier for the United States tourist to receive the exchange bonus.

It is pointed out that it is impossible for the small storekeeper to be in a position to know the current rate of exchange at the time of purchase and he is torn between fear of charging his customer too much and fear of losing money himself owing to the constant fluctuation of quotations.

Liquor stores do not allow any premium on United States currency and it is obviously impossible for a street car conductor or amusement park employee to make a safe calculation while he has his job and its ordinary routine to do.

No Canadian Banks With Chilean Branches

Announcement made on June 9 by the Socialist government of Chile that the state would take over all foreign currency deposits in the country does not affect Canadian banks doing business in South America as they have no branches in Chile, contrary to early newspaper reports.

South American countries in which Royal Bank of Canada has branches are Colombia, Venezuela, British Honduras, British Guiana, Argentine, Peru, Panama, Uruguay, Brazil and Costa Rica. In addition Canadian Bank of Commerce has two branches in Brazil.

Bank Chat

Old Bank Note Causes Arrest

Vigilance of a Kitchener bank teller is expected to solve a $7,000 robbery at Whitney, Ont., the first arrest in the case being made on June 7 following a communication from the teller to the police that a man had passed a $10 Bank of Ottawa note. It is charged that the arrested man is one of a gang of three men who robbed brothers of the name of Yanta of $7,000 in cash which they had hoarded in a trunk in their home. As some of the notes had been hoarded for many years banks throughout the country were notified to be on the lookout for anyone passing notes drawn on extinct banks.

Canadian Bank of Commerce announces the following staff changes:

A. H. WATERMAN, formerly of head office has been appointed assistant manager at Ottawa, Ont.

E. L. JORDAN, manager of the recently closed Jordan branch has been appointed manager at St. Clements, Ont.

E. S. McGRATH, former manager at St. Clements, Ont., has been attached to the staff of relieving managers at head office.

A. G. WILSON, formerly manager at St. Clair and Yonge, Toronto, has been appointed savings manager at Toronto office.

G. A. ENGLISH, formerly assistant manager at Edmonton, Alta. has been appointed assistant manager at Market branch, Toronto.

R. B. GIBSON, formerly assistant manager at Market branch, Toronto, has been appointed manager at Queen and University, Toronto.

W. F. KELSEY, formerly manager at Queen and University, Toronto, has been added to the Inspection department, head office.

FLETCHER KERR, formerly assistant manager at Ottawa, Ont., has been appointed manager at St. Clair and Yonge, Toronto.

F. A. MacLEAN, formerly manager of the Bank of Montreal, Chesley, Ont., has been transferred to Weston, Ont., where he will take charge of the local branch of the bank.

Bank of Toronto closed its branch at Kamsack, Sask. on May 31. As Canadian Bank of Commerce has also closed its branch in that town, Bank of Montreal only remains to serve Kamsack and surrounding district.

J. K. PATTERSON, manager of the Canadian Bank of Commerce at Picton, N.S., addressed the local Kiwanis Club on May 31, the subject of his talk being "The History of Canadian Banking."

CLIVE INGLIS, formerly at Weston, Ont., has been appointed manager of the Bank of Montreal, Collingwood, Ont.

EDWARD I. SUTCLIFFE, formerly assistant manager at the Bank of Nova Scotia, Sparks St. branch, Ottawa, has been appointed manager of Dundas and Spadina branch, Toronto.

Link Empire Currency and Bi-metallism, Darling Says

One of the first advocates of an Empire currency, John F. Darling, director of the Midland Bank, London, on his arrival in Montreal recently, reiterated his belief that an Empire currency combined with bimetallism was important as a solution for the world-wide economic unrest.

Mr. Darling first proposed his system of an Empire currency about 12 years ago, his currency to be known as "Rex." Under his scheme this currency would be a medium for reconciling the various Empire currencies at a central banking house.

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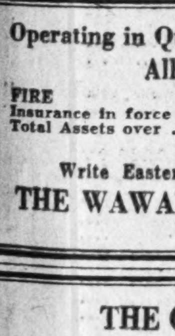
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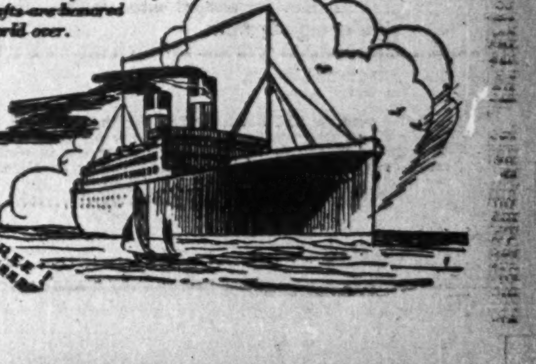
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Grain Shipments from Vancouver

Vancouver's grain shipments this year will pass the 80,000,000 bushel mark, according to Sam McClay, chairman of the Vancouver Harbor Commission. Up to May 23rd 70,474,273 bushels had been loaded and another 5,000,000 bushels in June.

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New Zealand: H. W. Airey, Ltd., Auckland, Dunedin, Wellington.

South Africa: L. C. Carrick, Johannesburg.

Newfoundland: S. Elliott & Co., St. John's.

British West Indies: Wilson & Johnstone, Ltd., Port-of-Spain, Trinidad. L. W. Huddle, Kingston, Jamaica.

China, Hongkong & Japan: Horn & Nobbins, Shanghai, China.

British Malaya, T. B. Rogers & Co., Ltd., Singapore, Straits Settlements.

Peru: M. E. Biber, Lima.

India: H. Maddison, Calcutta.

A Few Copies Left

Canadian Stock Market Leaders of Tomorrow

Canadian Stock Market Leaders of To-morrow

Without prejudice and without any claim to prophetic vision, The Financial Post a few months ago published a series of articles on good Canadian stocks that seemed to meet the most obvious tests that needed to be applied to good securities. These articles were reprinted in booklet form. A few copies of this booklet (48 pages and cover) are available

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Markets

WEEK ENDING JUNE 13

Range 1932 High	Low	Divd. Rate Paid in Last Year	Yield in % June 11	Stock	Sales	Close June 6 (or last)	Week Ending June 13 High	Low	Close
[illegible]				[illegible]					

x Quotations for 1931. No sales recorded in 1932 to date.
b New York Quotations.
‡ Quotations for 1930.
* Plus stock bonus.
† Stock dividend paid June 1; 25c cash paid Mar. 1, 1932.
‡ Minimum price is set, below which trading is not permitted for time being. List of minimum prices is given elsewhere.

Winnipeg Stock Exchange

June 7, 1932

	Bid	Ask		Bid	Ask
Beaver Fire			Monarch Life		
Beaver Lumb. pfd.			N. Can. Mtge. pfd.		
Can. Amer. Tr. sh.			North. Trust		
Can. Fire Ins.			Un. Gr. Growers		
City Dairy (Wpg.) pref.			Reliance Gr. pf.		
Cons. Grain Corp.			West Breweries		
Cres.-Cream. pfd.			Grouped Inc. Shs. "B"		

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited) Investment Bankers—Toronto

June 14, 1932

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.50	
Acadia Sugar pfd.	2.70	
Acme Farmers Dairy pfd.		
Agnew Surpass pfd.	60.00	70.00
Allens London pf.	29.00	57.00
Andian Nat. Corp.	16.25	19.75
B.C. Pulp & Paper com.		
Can. & Dom. Sugar com.		9.75
Can. Mach. c.	16.00	17.25
Can. Mach. 7% pf.	2.25	5.00
Can. Packers c.	21.00	27.00
Can. Packers 7% pfd.		
Can. Starch pfd.	45.00	48.00
Can. Tea pfd.	62.50	67.00
Can. Wire & Cable pfd.		
Can. Celanese pfd.	69.00	72.00
Can. Industries "A"	42.00	44.00
Can. Industries "B"	42.00	46.00
Can. Westing.	96.50	97.75
Chase, A. W. Units	29.50	31.50
Claude Neon Units	20.00	25.00
Dodge Mfg. "B"		
Dodge Mfg. "A"	1.00	
Dom. Foundries & Steel c.	6.50	8.00
Dom. Foundries & Steel pfd.	64.00	
Dom. Mfrs. pfd.	65.00	70.00
Dom. Tar pfd.		
Dunlop Tire 7% pfd.		
Eastern Car 6% pfd.	39.00	40.00
Eastern Dairy pf.	20.00	28.00
Fed. Grain pfd.		67.00
Goderich Elevator & Transit	12.25	13.00
Greening Wire	67.00	74.00
Guardian Realty pfd.		
Guelph Carpet pf.	70.00	30.00
Harding Carp. pf.		65.00
Inter. City Bak. c.	39.00	44.00
Inter. Proprietaries "A"		
Langleys pfd.	10.00	20.50
Loew's London c.		24.00
Massey Harris pf.	2.50	1.50
Medical Arts pfd.	5.50	8.25
Morrow Screw Nut		
Mount Royal Hotel	94.00	98.00
Mount Royal Hotel pfd.	8.00	9.50
Nat. Grocers c.	5.00	11.00
Nat. Grocers 2nd pfd.		
Para. Oshawa c.	9.00	23.00
Prov. Paper pfd.		45.00
Rolland Paper pfd.		
Standard Clay Products c.	30.00	35.00
Standard Fuel pfd.		32.00
Superior Petroleum "B" pfd.	50.00	53.00
Toronto Carpet c.		7.00
Toronto Carpet pfd.	60.00	97.00
Toronto Elevators 7% pfd.	70.00	80.00
Toronto Housing com.		
Un. Amuse. "A"	21.00	30.00
Un. Amuse. "B"	16.50	19.00
Western Assc.	21.00	25.00
Willards Choc. pf.	16.00	27.00
Br. Amer. Assce.	29.00	
Canada Life Ass.		

Insurance Stocks:	Bid	Asked
Canada Nat. Fire	13.25	16.75
Can. Fire Ins.		67.00
Capital Life 20% pd.		
Confederation Life 20% pd.	10.00	17.00
Continental Life 10% pd.		133.00
Crown Life		
Dom. of Can. Gen.		
Dominion Fire	80.00	85.00
Dominion Life 50% pd.	275.00	310.00
Excelsior Life 30% pd.		145.00
Fidelity Ins. of Canada	75.00	80.00
Great West Life	190.00	210.00
Guarantee Co. of N. A.		
Halifax Fire	200.00	275.00
Imperial Life	185.00	200.00
Mfrs. Life		
National Life 25% pd.	15.00	20.00
Saskatchewan Life 20% pd.		80.00
Sovereign Life 25% pd.		
Sun Life Assur.	160.00	185.00
Western Assce.	15.00	17.50
Western Life 20% pd.	7.00	12.00

Trust & Loan Stocks:	Bid	Asked
Br. Mtg. & Trust	138.00	170.00
Can. Gen. Investments Ltd.		
Chartered Trust	1.75	2.75
Deb. & Sec. pfd.	65.00	70.00
Deb. & Sec. pfd.		
Eastern Can. Sav. & Loan		
Eastern Trust	112.00	130.00
Guelph & Ont. Inv.	140.00	155.00
Investment Foundation Units	49.00	55.00
Lambton Loan & Savings	18.00	20.50
London & Western Trust	55.00	70.00
Midland Loan & Savings	85.00	91.00
Mtge. Disc. pfd.	16.00	
Mutual Fin. c.	1.00	3.60
Mutual Fin. pfd.		
Premier Trust	78.00	85.00
Security Loan & Savings		
Sherbrooke Trust	95.00	102.00
Sterling Trust	90.00	95.00
Traders Fin. c.		3.00
Traders Fin. pfd.		
Trust & Guar.		52.00
Victoria Trust & Savings		
Waterloo Trust & Savings	101.00	172.00

Power Issues:	Bid	Asked
B.C. Elect. Pwr. & Gas pfd.	78.00	83.00
Calgary Pwr. pfd.	90.00	91.00
Can. Light & Pwr.		
Can. West. Nat. Gas LH&P c.	18.00	23.00
Can. West. Nat. Gas LH&P pfd.	58.00	61.00
Great Lakes Pwr.		
N.B. Pwr. 1st pf.		
N.B. Tel. c.	6.50	8.50
N.S. L&P pfd.		
Ottawa LH&P pfd.		90.00

Recent London Quotations:		
Brewer Distillers		6s.
Can. & For. Sec.		3s. 9d.
Can. West. Lumber		3s. 9d.
Hudson's Bay		18s. 9d.
Internat. Holdings		6s. 3d.
Nfd. Pr. & Paper 5% deb. stock "B"		75
Trust & Loan of Can.		1s. 9d.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited) Investment Bankers, Toronto

June 14, 1932

Industrial Bonds:	Bid	Asked
[illegible]		

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co. Limited Canada Permanent Bldg., Toronto, Ontario

June 14, 1932

Provinces:	Rate	Maturity	Next Int. Date	Approx. Price	Approx. Yield %
[illegible]					

*New York payment.

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
[illegible]				

Listed Bond Quotations

Week Ending June 13

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range 1932 High	Low
[illegible]								

‡Quotations for 1930. *For 1931. None recorded in 1932 to date.

Stocks With Minimum Prices

Ogilvie Milling c.		Price Bros.	
Ottawa L. H. & Pr. c.		Do., pref.	

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Page-Hersey to Pay Dividend

Page-Hersey Tubes Ltd. will pay the usual quarterly dividend of $1.25 per share on the common stock and $1.75 per share on preferred stock outstanding on July 2 to shareholders of record June 20. Plant operations in June are stated to have been at approximately the May level which represented a gain over previous months.

Municipal Bond News

FOR over forty years this organization has been devoting its efforts exclusively to the publication of accurate State and municipal bond news. Not "flash" items or rumors, but carefully prepared news covering all the technical requirements of the municipal market has been responsible for its recognition as "The Authority on Municipal Bonds." It is, therefore, the logical medium for municipal bond sale advertising.

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COTTON MAKERS STRIVE TO BREAK TRADE DEADLOCK

Canadian Interests Hold Conferences With Group from Lancashire

From Our Own Correspondent

MONTREAL. — Discussions between Canadian cotton textile interests and a delegation from Lancashire may lead to some form of cooperative agreement. It is understood that preliminary conferences resulted in a deadlock but it is thought that final discussions which took place before the delegation returned to England may lead to some satisfactory arrangement.

Discussions have not been made public but it is understood they have centred primarily around the working out of a system of complementary production. This would mean that British mills would stay away from the manufacture of certain lines of goods which can best be made in Canada while a substantial preference on other goods, manufactured to best advantage in Great Britain, would be granted by Canada.

Canadian Interests Watchful

Naturally, Canadian cotton men do not want to endanger their own operations in any way. The textile industry gives employment to many thousands of workers and competition from imported goods is still keen despite additional protection granted to cotton manufacturers. But doubtless Lancashire interests feel there is some way out of the impasse and with that end in view have instigated the first conference of its kind ever to be held in Canada.

In the party are six of the recognized leaders of the cotton industry of Great Britain.

NATIONAL CAR PLACES SHARES ON 80 CENT RATE

New Basis Compares With Former Dividend of $2 a Share

From Our Own Correspondent

MONTREAL.—Directors of National Steel Car Corp. have placed the capital stock of the company on an annual basis of 80 cents a share by declaration of a dividend of 20 cents a share payable July 2. This compares with a former annual rate of $2 a share paid since April, 1929.

Reduction in dividends is not unexpected in light of conditions surrounding the equipment industry. Railway orders for new rolling stock have been withheld this year and any major business must come from miscellaneous sources for the present.

Earnings Were Lower

Earnings of National Steel Car Corp. in the fiscal year which ended June 30, 1931, totalled $440,595 compared with $1,803,791 in the previous year. Profits were equal to $2.62 a share on the 130,000 shares of capital stock outstanding.

Indications are that earnings for the current year which closes June 30 will be on a lower scale, though award of some $575,000 on account of a war claim made early this year should find reflection in the forthcoming financial statement.

MUIRHEADS SHOWS BETTER EARNINGS

Writing Investments Down to Market Reduces Surplus

Muirheads Cafeterias Ltd. had some increase in net earnings during the year ended February 28 but after payment of preferred and common dividends and the writing down of securities by $7,678 to market value was decreased by $4,448 to $8,446. Working capital, however, was increased with current assets higher and current liabilities down. After depreciation and preferred dividends the company earned 15 cents per common share against 12 cents the previous year.

Income and surplus account of the company for the past two years is as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended

	Feb. 29 1932 $	Feb. 28 1931 $
Net earnings	47,591	45,575
Less: Deprec.	30,000	30,000
Net profit	17,591	15,575
Less: Pref. divds.	5,796	6,055
Common divds.	7,871	7,871
Investments written down to mkt. val.	7,678	....
Inc. tax res.	1,000	....
Misc. adjust.	....	934
Add: Misc. adjust.	306	....
Surplus for year	*4,448	715
Add: Previous surplus	12,894	12,179
Surplus forward	8,446	12,894

Included in current assets is cash at $21,971 as compared with $47,996 the previous year while bonds and stocks at market value have been increased to $71,615 from $32,320 despite write-off of $7,678 to allow for depreciation. Inventory remains about the same at $13,370 while prepaid tax receipt of $7,500 and prepaid expenses of $7,135 are included. Under current liabilities, accounts payable are reduced to $15,294 from 18,175 and accrued expenses and prepaid revenue is down to $5,849 from $7,635. Dividend payable March 1 was $9,732. Working capital position was as follows:

	Feb. 29 1932 $	Feb. 28 1931 $
Current assets	124,538	109,046
Current liabs.	30,875	35,680
Working capital	93,663	73,367

Building improvements, restaurant plant and equipment are valued at $426,938 from which is deducted depreciation reserve of $106,500. Leases, trade name, goodwill, etc., are carried at $150,000. During the year 550 shares of $10 par preferred was retired leaving 7,445 shares outstanding and 78,710 shares of no par value common. Surplus as shown above is $8,446.

National Trust Dividend Cut

Dividend rate of National Trust Co. has been reduced to 12 per cent per annum with the declaration of a dividend of $3 per share payable July 2 to shareholders of record June 20. The company has paid 14 per cent per year since 1930. From 1921 to 1929 the company paid dividends at the rate of 12 per cent but in 1927 and 1928 also paid an extra of 1 per cent which was increased to two per cent in 1929.

Chief Justice Dismisses Action Against Brokers

Cases Not Uncommon of Unfortunate Persons Coming to Blame Mishaps on Advisers — Believes Defendants Tried to Dissuade Client From Marginal Operations

Finding of Chief Justice Rose in dismissing Miss Helen A. Kuhn's action against F. H. Deacon & Co. has caused considerable relief through the brokerage community. Her action was for $6,090 damages covering losses she suffered in her stock dealings through the firm and it was dismissed with costs by the Chief Justice.

Brokerage houses had feared that success by the plaintiff would have brought a flood of litigation by speculators seeking to recoup their losses. In this particular case evidence is stated to have shown that plaintiff made a profit on 15 out of 16 transactions with the company and that a letter was produced in which E. C. Reade, of Deacon & Co., advised plaintiff against trading on margin. Mr. Reade also advised her to buy International Nickel at 63 before the stock was split six for one, but plaintiff had not bought the stock until it was 68 after the split, it was stated.

Two Complaints Made

The oral judgment delivered by Chief Justice Rose was as follows:

"The case, I think, is very simple. The complaints in reality are two, one of them with respect to the shares of the National Radiator Company and the other with respect to the Nickel shares. There is in addition, a faint suggestion that as regards the Brazilian shares the matter may be somewhat in the same position as it is as regards the Nickel shares, but the suggestion was rather half-hearted.

"As regards the National Radiator shares, the plaintiff's grievance is that she instructed the defendants as her brokers to purchase shares for her, and that instead of carrying out her instructions, they turned over to her shares of which they were the owners. What the damages would be if that fact were established I am not quite sure. They would include, no doubt, any commission charged by the brokers to the plaintiff; they might possibly include any profit made by the brokers, the agents, upon the transaction; and, as Mr. Robertson has mentioned, there would be a right, as long as the remedy was available, to rescision. But I do not think it is very necessary to discuss what the damages would be, beyond saying that I think they would be limited in the way suggested, and that they would not be made up in the way in which they are made up in the statement of claim, and that there could be no possibility of the adoption of the suggestion made by counsel, that pretty well all the losses at any time sustained by the plaintiff flowed from the fact that she had been got into an unfortunate position as regards these National Radiator shares.

Case Not Made Out

"I think that discussion of the damages is unnecessary, because I do not think the case is made out. I had no doubt when Mr. Drew-Brook was giving his evidence that he was reporting the occurrence accurately, and thinking over it since, and refreshing my memory by a glance at my notes of what the plaintiff said in the witness-box, I see no reason to change the opinion that I formed at the time. I adopt, therefore, Mr. Drew-Brook's statement as a correct statement of the transaction. Upon that statement, the plaintiff having in her hands when she went into the office the circular in which the shares were offered for sale, there can be no suggestion that the defendants in that transaction, instructed to act as agents, proceeded without informing the plaintiff to pretend to carry out the instructions by transferring to the plaintiff some shares of which they were the owners. Therefore the case as regards the National Radiator shares fails in my opinion.

Plaintiff's Account Not Accepted

"As regards the Nickel shares there are two complaints, and one of these embraces the Brazilian shares also. The first of the complaints is that the defendants, through Mr. Reade, induced the plaintiff to abandon her practice of buying shares outright and paying for them, buying them as shares for investment, and to embark upon the hazardous course of purchasing shares on margin. I think that what we have here is the not uncommon case of the person who is unfortunate coming to believe afterwards that the whole fault is the fault of his advisers and of those who acted for him. I dare say that the plaintiff believes now that it was the defendants who induced her to embark upon the course which turned out to be unfortunate, but I do not believe that the defendants did so induce her. I think it is much more likely that, as Mr. Reade says, he attempted to dissuade her. One need not go into the reasons for thinking that the story told by Mr. Reade is the more probable story; I do think it is the more probable story, but perhaps the case may be rested upon the statement that in the face of Mr. Reade's denial I see no possibility of accepting the plaintiff's account.

"The next complaint is that the Nickel shares or some of them having been bought, there was a positive order by the plaintiff to Mr. Reade to sell, and a refusal on his part to act upon such instructions. I should not have been astonished to hear a statement from the plaintiff that she had asked Mr. Reade to sell, and that Mr. Reade had advised her to refrain from selling, and that she had acted upon his advice, following upon which I suppose there might have been a claim for damages for advising unskilfully if the facts would have supported such a claim. But that is not the way the plaintiff puts it. She puts it that she told Mr. Reade to sell, that he said he would not, that she insisted that he must, and that that is where the matter stood and that he failed to do what he had been ordered to do. Now, assuming that Mr. Reade was under some obligation to accept orders to sell even if he did not want to act as broker in the transaction proposed, and that there would have been some cause of action for his refusal—which I think is quite doubtful in law—again I think the case fails, because I think that Mr. Reade's denial is to be accepted rather than the plaintiff's assertion. I am quite unable to find that the plaintiff gave an order which the brokers refused to execute.

"For these reasons I think the action fails and must be dismissed with costs."

CAN. WINERIES EARNINGS LOWER

Liquidated Inventories to Pay Off Bank Loan; Cash Higher

Canadian Wineries Ltd. earned 21 cents per share in the year ended April 30, 1932, compared with 88 cents per share the previous year. Although volume of sales increased by 3½ per cent, value dropped more than 10 per cent and net earnings are shown at $57,719 which compares with $126,882 in the previous period. Various taxes paid by the company amounted to $112,604 or $1.12 per share.

Details of the income and surplus account are as follows:

CONS. INCOME AND SURPLUS ACCT.
Years Ended April 30

	1932 $	1931 $
Net earn. from oper.	57,718	126,882
Less: Deprec.	33,827	32,092
Inc. tax	2,971	6,640
Net profit	20,920	88,150
Less appropriations: Dividends	35,002	50,004
Surp. for period	*14,082	38,146
Add: Prev. surp.	128,582	90,436
Less: Tax adj.	3,592	....
Bal. earned surplus	110,908	128,582

*Debit.

While current assets are lower the company paid off its bank loan of $149,000 and reduced payables to $76,153 from $124,602 which substantially increased the ratio of current assets to current liabilities. Cash is up to $20,569 from $4,498 while stock of wines and supplies has been reduced to $522,339 from $701,309 and accounts receivable are down to $80,428 from $128,169. Working capital position is as follows:

Working Capital

	1932 $	1931 $
Current assets	623,336	833,976
Current liabs.	80,471	286,886
Working capital	542,865	547,090
Ratio	7.74—1	2.91—1

Fixed assets, after depreciation reserve of $161,016, are shown at $563,655 net additions during the year having amounted to $16,361. Deferred charges to operations are slightly lower at $5,276. Mortgage payable has been reduced to $9,500 from $11,000. There remains outstanding 100,000 shares of no par value common stock.

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Week's Canadian Quotations—Continued

Foreign Exchange

	New York Funds High (Premium) %	New York Funds Low %	Last Year High (Premium) %	Last Year Low %
June 8	16 7-8	16 1-8	3-32	1-16
June 9	16 1-2	16	21-128	3-32
June 10	16 1-8	15 3-4	1-4	3-16
June 11	16	15 5-8	17-32	1-4
June 13	15 15-16	15 3-4	11-16	5-16
June 14	15 3-4	15 5-8	5-16	1-4

STERLING, FRANCS AND LIRE
(Close Demand in New York)

	Sterling	Francs	Lire
June 8	3.67 3-8	3.94 5-8	5.14 1-4
June 9	3.66 7-8	3.94	5.13 3-8
June 10	3.67 3-8	3.93 7-8	5.13 1-2
June 11	3.67 3-8	3.93 7-8	5.13
June 13	3.67 3-8	3.94 5-8	5.13 1-4
June 14	3.66 7-8	3.93 7-16	5.12 1-2

FOREIGN EXCHANGE
(Close Demand in Toronto)

Par		May 31	June 7	June 14
5.26	Italian	5.83¾	5.97½	5.93¾
23.80	German	26.88	27.54	27.39
13.90	Belgian	15.90	16.22	16.10
49.80	Japanese	37.23	38.34	36.75

Winnipeg Grain Prices*

Week to June 14

Crop Year from Aug. 14 High	Low		Open June 8	High for week	Low for week	Close June 14
		Wheat				
.77¼	.53	July	.55½	.56¾	.53	.54
.72¾	.56	Oct.	.57½	.59¾	.56	.56½
.66¾	.57	Dec.	.58½	.60¾	.57	.57
		Oats				
.37½	.30½	July	.35½	.36	.33½	.33½
.35½	.28¾	Oct.	.29¾	.30¾	.28¾	.28¾
.27⅞	.26¾	Dec.	.27	.27⅞	.26¾	.26¾
		Barley				
.45¾	.36½	July	.37	.39	.36½	.38½
.43¾	.31	Oct.	.32½	.34½	.32½	.33¾
.35¾	.34	Dec.	...	.35½	.34	.34
		Flax				
1.16½	.70	July	.72½	.74	.70½	.71
1.09½	.73	Oct.	.75	.78½	.73	.74½
.78½	.76	Dec.	.77½	.77½	.76	.77
		Rye				
.59	.33	July	.33¾	.35⅞	.33½	.34½
.55¾	.34½	Oct.	.35¾	.37½	.34¾	.35¾
.37⅜	.36	Dec.	.36¾	.38	.36½	.36¾

Canadian Bonded Grain in U. S.

Quotations on New York Produce Exchange, Basis Buffalo
Week to June 14

High *to date	Low		Close June 7	High for week	Low for week	Close June 14
		Wheat				
.66½	.49	July	.51½	.51	.49	.49
.66½	.51½	Oct.	.53¾	.53	.51½	.51½

*Since trading opened March 8, 1931.

Mining Stock Quotations

Week Ending June 13.

Par Val.	Range 1932 High	Range 1932 Low	Company	Sales	Close June 6 (or last)	High for week	Low for week	Close June 13
1	.05¾	.04	Abana	.....	.04	.....	.....	.....
1	.02	.00½	Aconda	.....	.00½	.....	.....	.....
No	.15	.15	Aldermac	.....	.15	.....	.....	.....
1	.09	.00¾	Alexandria	40,000	.01½	.02½	.01	.02¼
1	.01½	.00¾	Algonquin	.....	.00¾	.....	.....	.....
1	.01	.00¾	Amity C.	.....	.00¾	.....	.....	.....
No	.22	.06	Amulet	1,000	.10	.10	.10	.10
1	.00½	.00½	Apex	.....	.00½	.....	.....	.....
1	.02¼	.01	Area	.....	.01½	.....	.....	.....
No	.03	.00¾	Arno	20,000	.01	.01	.00¾	.01
1	.02¼	.02	Astoria Rouyn	.....	.02¼	.....	.....	.....
1	.07	.03	Bagamac	3,500	.05	.04½	.04	.04½
1	.00¾	.00½	Baldwin	.....	.00½	.....	.....	.....
1	.12	.03½	Barry Holl.	2,050	.04	.04	.03½	.03½
No	1.00	.30	Base Metals	.....	.30	.....	.....	.....
No	.12	.01	Bidgood	60,410	.02	.04	.02	.03
1	.16½	.04	Big Missouri	7,200	.05	.05	.04	.05
1	.05½	.02	Bobjo	16,500	.03	.02¾	.02½	.02½
1	.08	.02½	Brett Trethewey	3,600	.05	.06½	.06	.06½
No	.03	.00¾	Brownlee	23,700	.01½	.01½	.01	.01
1	.00¾	.00¾	Buckingham	.....	.00¾	.....	.....	.....
No	.36	.02	Buffalo Can.	1,000	.04½	.02	.02	.02
No	.02½	.01	Bunker Hill	5,500	.01¼	.01¼	.01½	.01½
5s	.50	.10	B'Wana McKubwa	.....	.10	.....	.....	.....
No	.01	.00½	Cal. Flin Flon	.....	.01	.....	.....	.....
No	.03	.02	Canam Metals	500	.02	.02	.02	.02
1	.04	.01½	Can. Kirkland	500	.02¼	.02¼	.02¼	.02¼
1	.09	.00¾	Canusa	4,500	.00¾	.02¼	.02	.02
No	.02½	.00¾	Capital Rouyn	.....	.00¾	.....	.....	.....
1	.07	.02½	Cartier Malartic	.....	.06	.....	.....	.....
1	.15	.09	Castle Tretheway	.....	.12	.....	.....	.....
1	.08	.04	Cen. Manitoba	2,000	.04	.05	.04	.05
1	.07½	.02	Cen. Patricia	2,625	.02½	.02½	.02½	.02½
No	.07½	.01¾	Chibougamau Pros.	.....	.01¾	.....	.....	.....
No	.02	.00¾	Clericy	3,000	.00¾	.01¼	.01	.01¼
5	3.00	.50	Coast Copper	20	.50	.50	.50	.50
1	.02	.00¾	Cobalt Contact	1,000	.00¾	.00¾	.00¾	.00¾
No	.16	.15	Cobuc	.....	.15½	.....	.....	.....
1	.08	.03½	Columario	.....	.04	.....	.....	.....
5	.80	.75	Coniagas	.....	.80	.....	.....	.....
No	.40	.28	Coniaurum	.....	.32	.....	.....	.....
25	75.00	25.00	Cons. Smelters	1,109	27.50	30.62	28.00	30.00
No	12.50	9.00	Dome Mines	1,392	10.75	10.90	10.25	10.70
No	.10	.02	Dom. Explorers	500	.02½	.02½	.02½	.02½
1	.01	.00¾	Don Rouyn	.....	.00¾	.....	.....	.....
1	1.55	.76	Eldorado	14,765	.90	.96	.80½	.93
No	1.05	.47	Falconbridge	950	.55	.50	.47	.50
1	.04	.01	Federal	.....	.01	.....	.....	.....
No	.00½	.00¼	Flintoba	.....	.00¾	.....	.....	.....
No	.07	.00¾	Gem. Lake	4,300	.01¼	.01½	.01¼	.01¼
1	.02¼	.00¾	Goldale	.....	.00¾	.....	.....	.....
10	.11	.05½	Goldfield	.....	.07	.....	.....	.....
1	.00½	.00¾	Gold Hill	.....	.00¾	.....	.....	.....
1	.04	.02¼	Goodfish	.....	.03	.....	.....	.....
1	.01	.00¾	Graham	.....	.01	.....	.....	.....
1	1.25	.50	Granada	3,380	.56½	.55	.50	.55
1	.22	.09	Grozelle	.....	.09	.....	.....	.....
1	.02¼	.01	Harker	4,000	.01	.01	.01	.01
1	.01¾	.00¾	Hilltop	14,000	.00¾	.00½	.00½	.00½
5	5.70	4.25	Hollinger	2,450	4.35	4.50	4.25	4.35
1	.36	.26	Howey Gold	6,450	.33	.34	.32	.33
No	2.78	.92	Hudson Bay	3,475	1.65	1.70	1.40	1.70
No	.20	.15	Huronian	.....	.15	.....	.....	.....
No	11.00	4.00	Int. Nickel	13,044	5.00	5.25	4.25	4.75
1	.01½	.00¾	Jackson Manion	.....	.00¾	.....	.....	.....
1	.23	.15	Keeley	800	.20	.21	.21	.21
1	.02¼	.01	Keora Mines	.....	.01	.....	.....	.....
1	.70	.40	Kirk. Hud. Bay	1,000	.51	.50	.50	.50
1	.02¼	.00¾	Kirk. Hunton	.....	.01	.....	.....	.....
1	.55	.19	Kirkland Lake	6,250	.22	.22	.20	.22
1	.03½	.00½	Kirkland Premier	.....	.00½	.....	.....	.....
1	.13	.05	Kirk. Townsite	2,000	.07	.05	.05	.05
20c	.01½	.00¾	Koot. Florence	1,500	.00½	.00½	.00½	.00½
1	.01½	.00¾	La Rose	.....	.01½	.....	.....	.....
1	.41	.14	Lakeland	1,000	.17	.15	.15	.15
1	29.50	24.90	Lake Shore	1,537	25.25	25.50	25.00	25.05
1	.00½	.00½	Laval	.....	.00½	.....	.....	.....
1	.06¾	.01½	Lebel Oro	.....	.03	.....	.....	.....
1	.41	.13	Macassa	3,200	.24	.25	.19	.24½
1	.07	.02½	Malartic	500	.03	.03	.03	.03
1	.00¾	.00½	Malrobic	46,000	.00½	.00¾	.00¾	.00¾
No	.06	.02	Mandy	.....	.02½	.....	.....	.....
No	.01½	.00½	Manitoba Basin	.....	.00½	.....	.....	.....
5	19.50	14.70	McIntyre	1,240	15.75	16.40	15.25	15.75
1	.35	.25	McKinley	175	.30	.30	.30	.30
No	.09¼	.02¼	McLeod River	53,000	.02½	.02¾	.02¼	.02¼
No	1.43	.58	Mining Corp.	1,150	.82	.82	.82	.82
1	.08½	.01½	Moffatt Hall	11,400	.01½	.01½	.01½	.01½
1	.02¾	.02¾	Moneta	.....	.02¾	.....	.....	.....
1	.45	.19½	Moss	5,500	.25	.30	.25	.30
1	.02¼	.01	Murphy	.....	.01	.....	.....	.....
	.05	.05	Nevada	.....	.05	.....	.....	.....
No	.03	.01	Newbec	500	.01½	.01½	.01½	.01½
5	1.15	.50	Nipissing	100	.55	.55	.55	.55
No	19.80	12.50	Noranda	4,815	13.95	14.50	13.50	14.00
No	.24	.11	Nor. Canada	.....	.11	.....	.....	.....
No	.01	.00½	Old Colony	.....	.00½	.....	.....	.....
1	.08	.05	Osisko	2,000	.05	.05	.05	.05
1	.10	.07	Parkhill	.....	.07½	.....	.....	.....
1	.13¼	.11	Patricia Dent	.....	.13	.....	.....	.....
1	.02	.01	Pawnee Kirk.	500	.01¼	.01	.01	.01
No	1.15	.35	Pend Oreille	450	.45	.40	.36	.36
1	.01½	.00½	Peterson Cobalt	.....	.00¾	.....	.....	.....
1	4.10	3.00	Pioneer Gold B.C.	3,900	3.60	3.71	3.45	3.60
1	.00¾	.00½	Porcupine Crown	.....	.00¾	.....	.....	.....
1	.02	.00½	Potter Doal	.....	.00¾	.....	.....	.....
1	.62	.32	Premier Gold	3,400	.42½	.43	.40	.41
1	.00⅞	.00⅞	Preston E. Dome	.....	.00¾	.....	.....	.....
No	.30	.15	Prospectors Air's	.....	.21	.....	.....	.....
No	1.00	1.00	Quebec Pros.	.....	1.00	.....	.....	.....
No	.06	.03	Quemont	100	.04	.05	.05	.05
1	.02¼	.00½	Ribago	1,000	.00½	.00¾	.00¾	.00¾
1	.02¼	.01	Ritchie	2,000	.01¼	.01¼	.01	.01¼
1	.01½	.00½	Robb Montbray	.....	.00¾	.....	.....	.....
1	.42	.25	San Antonio	2,167	.38	.38½	.30	.38½
1	.09	.07½	Seven Troughs	.....	.07½	.....	.....	.....
1	.65	.18	Sherritt Gordon	4,500	.21	.23	.20	.22
1	.70	.50	Siscoe	62,730	.60	.68½	.50	.68
[illegible]	[illegible]	[illegible]	South Keora	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Stadacona	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	St. Anthony	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Sudbury Basin	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Sudbury Mines	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Sullivan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Par Val.	Range 1932 High	Range 1932 Low	Company	Sales	Close June 6 (or last)	High for week	Low for week	Close June 13
1	.65	.39	Sylvanite	8,300	.44	.40	.39	.39½
1	.07	.01½	Tashota	3,500	.01½	.01½	.01½	.01½
1	5.25	3.10	Teck Hughes	11,679	3.25	3.35	3.25	3.28
1	.03½	.02	Thom Cadillac	.....	.03	.....	.....	.....
1	.40	.10	Towagmac	.....	.11	.....	.....	.....
1	3.00	1.01	Treadwell	100	1.50	1.25	1.25	1.25
1	.09½	.02	United Kirkland	.....	.02	.....	.....	.....
1	.01¾	.00¾	Vacuum Gas	.....	.00¾	.....	.....	.....
No	.53	.16	Ventures	12,350	.21	.23	.19	.23
1	.17½	.04	Vickers	.....	.05	.....	.....	.....
1	.45	.20	Vipond	9,900	.23	.22½	.20	.20
No	1.00	.25	Waite Ackerman	.....	.30	.....	.....	.....
1	.07	.01	White Lake	1,000	.02½	.01	.01	.01
1	.01	.01	Wiltsey Coughlan	.....	.01	.....	.....	.....
No	3.06	2.00	Wright-Hargreaves	3,020	2.20	2.20	2.17	2.20
			OIL STOCKS					
No	.19	.07½	Acme Gas & Oil	1,900	.10	.09½	.09	.09
1	1.17	.60	Ajax	450	.70	.65	.60	.65
1	.12	.04½	Alta. Pacific	.....	.05	.....	.....	.....
1	.03½	.02	Askalta	.....	.03½	.....	.....	.....
No	.10	.03	Associated	.....	.05	.....	.....	.....
No	.04	.01	Baltac	.....	.02	.....	.....	.....
	.05½	.00½	Benton	.....	.00½	.....	.....	.....
1	.06	.02½	Brit. Dominion	.....	.03½	.....	.....	.....
No	.38	.14	Calgary & Ed.	.....	.15	.....	.....	.....
1	.09	.04	Calmont	500	.04	.04	.04	.04
1	.11	.03	Comm. Pete	.....	.05	.....	.....	.....
No	.20	.07	Dalhousie	.....	.08	.....	.....	.....
No	.01	.01	Devenish	.....	.01	.....	.....	.....
No	.02	.00½	Dome Oil	.....	.00¾	.....	.....	.....
No	.12½	.04	East Crest	.....	.06	.....	.....	.....
No	.01½	.01½	Fabyan Pete	.....	.01½	.....	.....	.....
No	.10	.06	Foothills	.....	.06	.....	.....	.....
No	.03½	.02	Freehold	.....	.02	.....	.....	.....
1	.02	.00½	Great West	.....	.00½	.....	.....	.....
No	.06½	.03	Hargal	.....	.03	.....	.....	.....
No	.05	.02	High Sarcee	.....	.02	.....	.....	.....
No	.47	.15	Home	100	.20	.20	.20	.20
No	.05	.01½	Homestead	.....	.01½	.....	.....	.....
1	.50	.09	Homestead O. & G.	1,100	.09	.11	.09	.11
1	.01	.00¾	Illinois Alberta	.....	.00¾	.....	.....	.....
No	.02¼	.00¾	Lethbridge	.....	.00¾	.....	.....	.....
No	.02	.00¾	Madison	.....	.00¾	.....	.....	.....
1	.15	.05½	Mayland	.....	.05½	.....	.....	.....
No	.04	.01½	McD. Segur Ex.	.....	.01½	.....	.....	.....
1	.04½	.01	McD. Segur N.	.....	.01	.....	.....	.....
1	.50	.18	McLeod	.....	.18	.....	.....	.....
No	.10½	.06½	Mercury	.....	.07½	.....	.....	.....
No	.08	.04½	Merland	.....	.04½	.....	.....	.....
No	.15	.08½	Mill City Pete	.....	.08½	.....	.....	.....
1	.20	.12½	Model	.....	.13	.....	.....	.....
1	.05	.04	Monalta	.....	.05	.....	.....	.....
1	.07	.03	Moose Mountain	.....	.03	.....	.....	.....
1	.01	.01	New Federal	.....	.01	.....	.....	.....
5	.14	.01	Nordon	10,100	.01½	.02	.01	.02
No	.04½	.02	Oil Selection	4,500	.02½	.02¼	.02	.02¼
No	.05	.02½	Okalta	.....	.03	.....	.....	.....
100	15.00	15.00	Do., pref.	.....	15.00	.....	.....	.....
No	.20	.09	Olga Gas & Oil	7,000	.10	.16	.13	.13
No	.06½	.02	Penn Pete	146,200	.02½	.03½	.02	.03¾
No	20.00	20.00	Perfection Pete pfd.	.....	20.00	.....	.....	.....
1	.28	.14½	Petrol Oil & Gas	1,500	.14½	.15	.15	.15
No	.14	.08	Ranchmen's	.....	.09	.....	.....	.....
1	.01	.00¾	Regent	.....	.01	.....	.....	.....
No	.02½	.01	Richfield	.....	.01	.....	.....	.....
No	6.65	3.95	Royalite	.....	4.00	.....	.....	.....
1	.12	.05	Sarnia Oil	1,200	.07	.07	.05	.05
1	.03	.01	Signal Hill	.....	.01	.....	.....	.....
1	.20	.10	Spooner	.....	.10	.....	.....	.....
No	.11	.05½	Sterling Pacific	.....	.05½	.....	.....	.....
1	.11	.07½	Turner Valley	.....	.07½	.....	.....	.....
No	.08	.03	United	.....	.03	.....	.....	.....
1	.09½	.03	Vulcan	.....	.03	.....	.....	.....
No	.02	.00¼	Waniwell	.....	.00¼	.....	.....	.....
			VANCOUVER STOCK EXCHANGE (Transactions for Week to June 8)					
25c	.00¾	.00½	Bayview	.....	.00½	.....	.....	.....
20c	.05	.03½	Beaver Silver	2,700	.03½	.04½	.03½	.03½
25c	.02½	.01	Bluebird	.....	.02	.....	.....	.....
1	.12	.04½	Bridge River Cons.	28,600	.05	.05½	.04½	.04½
25c	.01½	.01½	Cork Province	.....	.01½	.....	.....	.....
	.01½	.01½	Dalhousie Mines	.....	.01½	.....	.....	.....
1	.13	.06	Cotton Belt	.....	.09	.....	.....	.....
1	.45	.15	George Copper	.....	.20	.....	.....	.....
50c	.02	.01½	Geo. Enterprise	.....	.02	.....	.....	.....
1	.04½	.02	Georgia River	10,200	.02½	.03½	.02	.03
1	.24	.10	Golconda	600	.12	.12	.10	.12
50c	.08	.02½	Grandview	.....	.02½	.....	.....	.....
25c	5.25	5.25	Hecla Mining	.....	5.25	.....	.....	.....
1	.01	.01	Independence	.....	.01	.....	.....	.....
1	.01½	.01	Indian Mines	.....	.01½	.....	.....	.....
1	.12	.09	Inter. Coal	.....	.12	.....	.....	.....
1	.21	.21	Jack Waite	.....	.21	.....	.....	.....
25c	.00½	.00½	Kootenay King	.....	.00½	.....	.....	.....
1	.19½	.09	Lorne Gold	30,275	.10	.10	.09	.09½
10c	.02	.01	Lucky Jim	.....	.01	.....	.....	.....
5c	.12	.05½	Metaline Metals	.....	.05½	.....	.....	.....
1	.03	.00¾	Morton Woolsey	.....	.00¾	.....	.....	.....
50c	.03	.00½	National Silver	13,000	.01½	.01½	.01½	.01½
50c	.08½	.02	Noble Five	7,000	.02½	.02½	.02	.02
50c	.01	.00½	Oregon Copper	.....	.00½	.....	.....	.....
1	4.11	3.00	Pioneer Gold	4,125	3.40	3.75	3.45	3.75
50c	.08½	.04	Porter Idaho	.....	.04	.....	.....	.....
No	.01	.00½	Premier Border	.....	.00½	.....	.....	.....
No	.28	.08	Reeves McDonald	.....	.08	.....	.....	.....
1	.52	.21½	Reno Gold	12,100	.37	.44½	.37	.44
1	.05	.02½	Ruth Hope	.....	.02½	.....	.....	.....
1	.03½	.02½	Silverado	.....	.03½	.....	.....	.....
25c	.02	.01	Silver Crest	.....	.01	.....	.....	.....
50c	.01½	.00½	Snowflake	5,000	.00½	.00½	.00½	.00½
20c	.02½	.01	Wellington	.....	.01	.....	.....	.....
1	.04	.01	Whitewater	.....	.01	.....	.....	.....
No	.00⅞	.00¾	Woodbine	.....	.00⅝	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Ajax Oil	3c.	...	Noranda	50c.	3.58
Cons. Smelters	$2.50+a	8.33	Petrol Oil	1c.	...
Dome Mines	$1+20c.	11.21	Premier	12c.	...
Hollinger	[illegible]	[illegible]	Pioneer, B.C.	[illegible]	[illegible]
Howe Sound	[illegible]	[illegible]	Royalite	[illegible]	[illegible]
Int. Nickel	[illegible]	[illegible]	Siscoe	[illegible]	[illegible]
McIntyre	[illegible]	[illegible]	Teck Hughes	[illegible]	[illegible]
McLeod Oils	[illegible]	[illegible]	Wright-Har.	[illegible]	[illegible]

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Extract from letter recently received.

Special Investigation Department

THE FINANCIAL POST CORPORATION SERVICE
143 University Ave., Toronto

Canadian Mining News

SYLVANITE MINES REPORTS PROFITS OF $225,044 NET

Production and Ore Reserves Up and Costs Down

CASH POSITION GOOD

Development Programme Responding in Satisfactory Manner — More Work Will Tell Importance

Annual report of Sylvanite Gold Mines for the fiscal year ended March 31, 1931, shows net profits of $225,044 after write-offs and reserves of $101,781, or the equivalent of approximately 7 cents per share on the 3,299,500 $1 par value shares outstanding. This compares with a net profit of $134,004 after write-offs of $85,727 or 4 cents per share shown in the previous year.

The following is a comparative tabulation of income and surplus accounts for the past two years:

Income and Surplus Account
Years Ended March 31

	1932	1931
	$	$
Bullion production	892,562	837,014
Exchange on bullion	65,542	......
Total oper. income	958,104	837,014
Less: Oper. exp., after sundry revenue	623,505	611,959
Outside prospecting	5,048	......
Adminis. expenses	24,594	21,214
Net oper. earn.	304,957	203,841
Add: Int. & exch.	21,868	15,890
Total net earn.	326,825	219,731
Less: Reserve for deprec.	79,523	78,436
Reserve for taxes	22,258	7,291
Net profit	225,044	134,004
Less appropriations:		
Common dividends	131,980	65,990
Surplus for year	93,064	68,014
Add: Previous surplus	348,264	280,250
Balance forward	441,328	348,264
Earnings per Share & Dividend Record:		
Earned	$0.07	$0.04
Paid	0.04	0.02

Production Record Made

Bullion production, valued at $892,562, represents an increase of $55,548 over that of the previous year and in addition there is exchange compensation of $65,542 or a gross increase in the value of production of 14½ per cent. The usual reserve for depreciation was provided and after common dividends of four cents per share $93,-$65 was added to the earned surplus.

A new high record was established for production both as regards tonnage treated and bullion recovered, but the normal value of the gold recovered per ton dropped to $9.47 or 61 cents per ton below that of the previous year.

The following is a tabulation of production since the commencement of operations in 1928, together with production costs per ton:

Production in Fiscal Years

Year	Tons Milled	Recovery Per Ton	Bullion Recovered
1928	57,341	$10.62	$ 609,181
1929	70,833	10.41	737,573
1930	75,408	9.16	690,400
1931	83,034	10.08	837,014
1932*	94,276	9.47	892,562
			$3,766,730

*In addition there was $65,542 exchange premium on gold bullion.

Costs per Ton of Ore

	1932	1931	1930
	$	$	$
Dev. & explor.	1.96	2.56	2.74
Mining	3.03	3.22	3.14
Milling	1.19	1.28	1.33
Taxes	.24	.09	...
Gen. & adminis. exp.	.79	.67	.93
Total op. costs	7.21	7.82	8.14
Deprec.	.84	.94	.99
Total costs per ton	8.05	8.76	9.13
Rec. per ton	9.47	10.08	9.16
Profit per ton	1.42	1.32	.03

During the past year development work was aggressively conducted toward opening up the deep horizons and the No. 2 shaft was deepened from 2,335 ft. to the 3,000 ft. horizon. Although the total footage of underground work was the lowest in the past three years, and despite the higher production, there was an increase in the broken ore reserves to 81,544 tons as compared with 57,722 tons the previous year.

Deep Work Encouraging

C. E. Rodgers, general manager of the company, commented on developments, in part, in the annual report as follows:

"Mining operations were conducted over a wide extent. This included both Nos. 2 and 4 shaft areas. . . . The respective ore lengths exposed in proportion to total drifting done in the two sections, were: No. 2 shaft, 700 ft. of ore in 2,209 ft. of drifting; No. 4 shaft, 940 ft. of ore in 2,016 ft. of drifting.

"No. 2 shaft area—At the year end preparation for crosscutting to the main south vein on 2,500 ft. and 3,000 ft. levels was practically completed. Encouraging results were obtained from exploration on this vein south of the shaft on several levels down to and including 1,750 ft. horizon. This included the stoping of a substantial tonnage.

"North of the shaft and east of the major fault, exploration was extended by diamond drilling on 500 ft. level and by diamond drilling and crosscutting at 1,000 ft. level, where several veins were thus indicated, some of which appear to offer good ore possibilities. Drifting on ore was also done to some extent at the latter horizon. This promising section of the property has not yet been extensively explored but is now receiving greater attention because of successful development of ore on the adjoining claim. The area is large, having an average east-west length of about 900 feet. Further, potential possibilities seem to fully warrant continued investigation.

Lowest Level Explored

"Lateral exploration from No. 2 shaft at the newly available levels of 2,500 ft. and 3,000 ft. has just begun. Favorable rock formation and structural features are known to exist here, but the work cannot be carried to any reasonably conclusive stage for a period of several months. Meanwhile, judging from the depth development records of the Kirkland Lake camp in general, at say 3,000 ft. and the adjoining property (Wright-Hargreaves), the year just beginning should prove one of the most interesting and important in the history of your mine.

"The percentage of mill feed drawn from this No. 2 shaft part of the mine for the year was 28.8.

"No. 4 shaft section—Satisfactory development work was carried on here. Numerous drifts were further extended and additions to known ore bodies were thus disclosed. More intensive exploration also proved the extension of certain branch veins as well as some parallel veins. As a whole, both tonnage and grade were well maintained for the year. In fact, upper level work yielded higher than the average grade heretofore mined from this part of the property. Further, it is confidentially expected that the area will respond favorably to continued development.

"71.2 per cent of the tonnage milled for the year came from No. 4 shaft section."

Liquid Position Good

The liquid position of the company showed a substantial improvement over the previous year with current assets totalling $738,268 as against current liabilities of $92,793, giving a net working capital of $645,475, as compared with $490,365 shown the previous fiscal year. The principal items in the liquid assets are federal, provincial and municipal government bonds shown at a cost of $430,137. The market value of these securities as of March 31 was shown at $392,445 or a shrinkage of 9 per cent. No investments of the company's funds other than bonds are made.

The annual meeting of the company is called for June 23, at Kirkland Lake, Ont.

U.S. Copper Duty Hits But Is Not Knockout

Canada Fortified With High Grade Low Cost Producers That Will Seek Empire Markets—Copper Fabricators Have Chance For Market Expansion

Whatever may have been the fears of the consequences of the four cents per pound excise duty imposed by the United States on imported copper, it had no immediate effect on the market price for Canada's two leading copper producers—Noranda and International Nickel.

While it cannot be denied that the United States thrust at imported copper will effectively bar that market from Canadian producers, it becomes evident that such possibilities have been well discounted by the fact of the steady market prices for shares of Canada's two principal producers.

The Howe Sound Co., owning the Britannia Mining & Smelting Co. and the Granby Consolidated Mining, Smelting & Power Co., both in British Columbia and the Hudson Bay Mining & Smelting Co. in Manitoba will be the most severely affected of the Canadian copper producers. These companies all produce blister copper and the latter two are having their copper refined in Canada but are largely dependent on United States connections for its sale. Just what steps will be taken to meet the new situation have not been announced but a copper refinery on the Pacific coast has already been mooted. The present time does not seem propitious to give serious consideration to such a plan but having regard for the potential copper producers on the Pacific Coast, it is known that the Consolidated Mining & Smelting Co. has had in mind the establishing of a copper smelter and refinery on the coast when the time became opportune.

There are many who view the new copper situation as ultimately working to the distinct advantage of Canada and the British Empire. While it is realized that new foreign markets cannot be acquired over night, the machinery has been in motion for invading these markets for some time. The foundation was laid when Canada became independent of American refineries by establishing its own copper refineries, one at Copper Cliff, Ontario, and the other at Montreal East, owned respectively by subsidiaries of International Nickel and Noranda Mines.

Effective June 21

The new barrier against Canadian copper became effective June 21.

In addition to refineries, the way has further been paved for Canadian copper by the establishing of British selling agencies for Canada's production. The International Nickel Co. is represented on the board of Amalgamated Metal Corp., of London, England, one of the foremost metal-marketing agencies in the world. Noranda Mines also some months ago made connections in Great Britain and the forthcoming Imperial Conference at Ottawa augurs for closer ties between Canada and the rest of the Empire so far as its copper production is concerned.

The danger, as seen by tariff barrier, is that it will react against the United States in the form of retaliatory measures by other countries. This alone is not the whole danger, for in the first place many large American producers and students of the situation were opposed to the tariff. In it they saw an attempt to appease a political element of the United States who see in a tariff a panacea for economic ills. One authority referred to it as "log-rolling" initiated by the senators from the oil states who were bent on transferring petroleum from the free list to the dutiable list. To accomplish this it was necessary to combine with the senators anxious for a duty on copper, coal and lumber, each group supporting the other's interests. The bill passed, and received the president's official approval.

Higher Prices Coming

While it is considered as inevitable that higher prices for copper will prevail in the United States no decided jump in prices has been witnessed to date.

One feature of the American tariff on copper is that it has automatically divorced the American group of producers from the world wide voluntary curtailment programme. As the American producers were the instigators of this curtailment plan they stand to profit but little from their efforts. Their great potential contemporaries were the Rhodesian mines and in a lesser way the International Nickel and Noranda, all high grade low cost producers.

If American producers increase their prices, as now seems inevitable, they stand to profit by the new legislation but the opportunity is afforded the low cost producers of Canada and Rhodesia to compete consistently with the American producers of refined copper. United States will be further debarred from their principal markets of the past if they attempt to cut prices since most of the nations have handy dumping clauses in their tariffs. This will simply mean that United States will have to sell its foreign copper at the prices prevailing in the United States or be penalized under the various dumping clauses.

United Kingdom Best Customer

In 1930 the United Kingdom was the United States best customer for refined copper and a total of 71,395 tons in the form of refined ingots and bars were shipped as compared with 87,725 in 1929. The next largest consumer of American refined copper was France with 70,-619 tons. Germany was next with 46,930 tons. More important still was the exportation of fabricated copper to the United Kingdom which in 1930 amounted to 87,783 tons. Likewise, France and Germany were the next best customers for products of fabricated copper with an importation in 1930 of 74,-077 and 54,864 tons respectively.

With higher prices for refined copper in the United States it becomes obvious that a correspondingly higher price will prevail on the fabricated material. It is in this connection that a greater benefit is seen to accrue to Empire copper fabricators. With a higher price for the raw material American fabricators will be thrown into competition with the expanding fabricating industry of the British Empire and an opportunity will be afforded for the Empire copper fabricators to become more firmly entrenched using Empire produced refined copper.

This export of fabricated copper by the United States, has been in recent months of low copper prices the most profitable phase of the trade and if its costs are to be boosted to satisfy the copper producers in the United States, this industry stands in grave danger of increased competition abroad.

Has Dominated Market

In past years the United States has been the dominating factor in the copper industry. It has controlled huge deposits that call for expert knowledge of metallurgical problems. It has had a grasp on the world copper situation largely through pioneering the industry on a large scale. Canada and the world at large owes a big debt to the United States for the assistance it has rendered in the problems of metallurgy in the various parts of the world. United States has given freely of its knowledge of copper to the other large potential copper producers. In recent months the United States star as a copper producer has been descending while the star of British Empire copper producers has been ascending.

Today many large copper producers in the United States recognize the changing situation and American capital has become heavily interested in the Rhodesian field as well as in South America and Canada.

Many see in the new United States tariff the first manifestation of United States weakening position as a dominating factor in the industry. Whether or not latest steps to safeguard this position, by throwing up a tariff measure, is a good remedy is a matter of conjecture that only subsequent development will confirm.

Copper stocks above ground in the world have been steadily increasing in recent months. It is estimated that at the present time there is close to 1,000,000 tons of refined and blister copper stored. Of this, close to 700,000 tons is in the United States.

If the leading copper-consuming countries of Europe decide on retaliatory measures, the situation becomes further complicated for the United States as the world stores are less abroad, they will be more quickly liquidated and consequently buying may come sooner. If the Empire producers and other foreign producers are able to corral a greater part of this world market while United States nurses its sick industry, it is not hard to deduce that a new tariff will prove a boomerang and strike a serious blow at the production it seeks to foster.

Depreciated Currency Helps

Another factor that enters into the world situation is the depreciated currency of Canada. With Canadian producers already listed among the lowest cost in the world and with Canadian funds at a discount from 12 to 15 per cent a distinct advantage accrues to the Canadian producer, in the markets of the world. It, therefore, appears, as has been stated in these columns on previous occasions, that while Canada will doubtless suffer some temporary set-back due to the readjustment of its copper marketing, evidence points to its working out for the ultimate good of the Canadian producers—not only the Canadian producers, but the Canadian fabricators of copper in its various forms and the manufacture of commodities employing the metal.

In the short time that Canada's electrolytic copper has been on the market it has made an enviable name for itself and is regarded as having no superiors. With the Imperial Conference but a few weeks away it is not deemed improbable that the Empire ties will be further cemented by including special preferences to Empire copper.

CROW'S NEST PASS CLOSED LAST YEAR SHOWING DEFICIT

Paid Dividends From Reserves on Capital Account

Crow's Nest Pass Coal Co. in 1931 had net profits of $27,447 before adjustments and write-offs and a deficit of $27,378 after all deductions and after taking in the accumulated surplus of $2,984 brought forward from the preceding year. There was a distribution of $186,354 from depreciation and depletion reserve on capital account, and this brought the balance sheet valuation of the paid-up capital stock down from $6,-212,667 to $6,026,313. Deduction of the profit and loss debit balance left this item at $5,998,934. The dividend was equal to $3 a share on the outstanding stock.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1931	1930
	$	$
Net earnings:		
From coal & coke	†23,470	101,345
From lands, timber, & other sources	52,605	76,147
	29,135	177,492
Less: Prov. for taxes	1,688	10,611
Net profit	27,447	166,881
Less appropriations:		
Dividends	‡......	279,529
Surplus for year	27,447	*112,648
Add: Prev. surplus	2,984	115,632
Less: Adj. B.C. tax	2,989	....
Deprec. adj. 1930	1,528	....
Res. for coal areas 1930	53,292	....
Bal. carr. forward	*27,378	2,984

*Deficit.
† Loss. ‡There was a distribution of $186,354 from capital account.

Working Capital Strong

With current assets rising during the year from $843,361 to $897,759 and current liabilities falling from $164,035 to $153,459, working capital increased from $679,326 to $744,210, the ratio jumping from 5.14 to 1 to 5.84 to 1.

Working Capital

	1931	1930	1929
	$	$	$
Current assets	897,759	843,361	782,480
Current liabs.	153,549	164,035	234,948
Work. capital	744,210	679,326	547,532
Ratio	5.84—1	5.14—1	3.33—1

Cash during the year advanced from $226,623 to $350,852, accounts receivable fell from $406,509 to $369,136 and inventories dropped from $210,229 to $177,772. Securities and shares owned at $1,610,-966 showed little change.

The operating profits of the subsidiary, Crow's Nest Pass Electric Light & Power Co. for the year were $11,728, all of which was transferred to depreciation reserve. Morrisey, Fernie & Michel Railway, another subsidiary, showed an operating loss of $9,664. Capital expenditures on parent and subsidiary company programmes totalled $16,543. The coal mined during the year amounted to $452,730 tons as compared with 532,922 tons in 1930. Coke produced during the year was 73,247 tons and in 1930 73,707 tons.

No change occurred in officers of the company during the year and the only change in the directorate was the retirement of Alfred Rogers and the appointment of C. H. Locke in his place.

HIGHER DIVIDENDS FROM McINTYRE SEEM CERTAINTY

Announcement Expected of New Policy at Annual Meeting

Higher dividends for McIntyre-Porcupine Mines seem assured, according to a circular letter forwarded to shareholders this week by the shareholders' committee pressing the management for higher dividends.

In the June 4 issue of The Financial Post was the first intimation that higher dividends could be expected, and subsequent higher market prices have also given indications that higher dividends are in the offing. From a low of $14.70 per share, the shares of the company are currently selling around $16 each as compared with a high of $19.25 reported early in the year.

That higher dividends will be announced at the annual meeting is not entirely unexpected. While the shareholders' committee has been most active in pressing for higher dividends, J. P. Bickell, president of the company, remained adamant and would neither be coaxed, coerced or cajoled into making a commitment. However, as the result of a conference between the shareholders' committee and Mr. Bickell on June 11, it seems certain that any fight for proxies has been prevented by the assurance given by Mr. Bickell.

The following is a copy of the statement forwarded by the shareholders' committee:

"The conferences held, lead the committee to feel that the management are quite sympathetic toward the end held in view by your committee and further that the present management will probably go as far as in their opinion reasonable conservatism will permit.

"Consequently, it is our suggestion that proxies for the forthcoming annual meeting of the company be placed in the hands of the management as usual, if you are unable to attend the meeting in person.

"The committee also wish to extend their thanks to the large number of shareholders who replied to the initial circular letter and by so doing lent their support and expressed their views, all of which was a material aid to the committee in formulating a policy in accord with the general desires of the rank and file of the shareholders."

D. L. H. Forbes is Elected President of Teck-Hughes

At a meeting of the board of directors of Teck-Hughes Gold Mines held in Toronto last week D. L. H. Forbes, general manager of the company, was elected president to succeed Albert W. Johnston, who becomes chairman of the board of directors.

Index to Mining Stocks

The weighted index number of twenty mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 47.2 for the week ending June 9, as compared with 46.8 for the previous week.

Eleven gold stocks fell from 48.9 to 48.5, four gold-copper stocks rose from 44.9 to 47.9, and five silver and miscellaneous stocks from 15.2 to 16.3.

Placer Mining in B. C. Was Bright Spot in 1931

From Our Own Correspondent

VANCOUVER. — Placer operations furnished the bright spot in the mining industry of British Columbia last year. Owing to the decline in metal prices, value of total mineral production in the province was about $18,000,000 less than in the previous year, according to figures just compiled by the provincial government.

Considering the condition of world markets, mining was maintained fairly well, 80 per cent capacity representing the average output in most of the mining fields of B. C. The total value of mining production for the year is placed at $34,883,181, as compared with $55,391,993 in 1930. Silver, copper, lead and zinc have in the past been the chief factors in the province's mine revenue and this year, owing to lower prices, value of output is lower than it has been for many years. There is some hope of silver showing a recovery this year, but general economic conditions throughout the world must improve before an advance in base metal values can be expected, according to Hon. W. A. McKenzie, minister of mines.

The tonnage of metalliferous ore mined in the province, according to J. D. Galloway, provincial minerallogist, was 5,549,103 as compared with 6,803,846 tons in 1930, a decrease of about 18.5 per cent. The average gross value of the ore mined was $4.06 a ton in 1930 as compared with $6.04 the previous year.

Figures showing production of various metals last year as compared with 1930, follow:

B. C. MINERAL PRODUCTION

	Quantity 1931	Quantity 1930	Value 1931	Value 1930
Gold, lode, oz.	146,039	160,778	$3,018,894	$3,323,576
Gold, placer, oz.	17,176	8,955	291,992	152,235
Silver, oz.	7,524,320	11,289,171	2,247,514	4,307,270
Copper, lb.	63,194,299	90,421,545	5,289,368	11,738,525
Lead, lb.	248,783,508	319,199,752	6,742,282	12,535,931
Zinc, lb.	205,071,247	250,287,806	5,237,520	9,010,093
Coal, tons (2240 lb.)	1,707,590	1,887,130	7,684,155	9,435,650
Structural materials	......	......	3,553,300	4,092,568
Miscellaneous metals and minerals	......	......	818,161	796,145
Totals			$34,883,181	$55,391,993

Production Scheduled Of Turner Valley Wells

Gas Conservation Board Publishes Production Permitted Under Conservation Plan When Put Into Effect

In a recent issue of The Alberta Gazette were set forth the schedules permitted under the curtailment programme to be inaugurated in Turner Valley by the Alberta Gas Conservation Commissioners.

While this schedule is in abeyance pending an injunction secured by Spooner Oils, it gives the schedules that will apply when the curtailment programme becomes effective.

Under the schedule every person or company operating any well is instructed to operate it so as not to permit it to produce a greater flow of gas than will give the number of barrels of naphtha set forth in the schedule.

The hearing of the action brought by Spooner Oils is proceeding in Calgary before Mr. Justice Ewing. Evidence is being submitted by experts both for Spooner Oils and the Gas Conservation Board regarding the declining gas pressure of the field. Stanley Slipper, geologist formerly with the Geological Survey, submitted as evidence a few days ago his opinion that if every drop of naphtha were extracted from the Turner Valley field there would still be all kinds of dry gas left.

The following are the schedules of production to be permitted by the respective wells:

Name of Owner	Well No.	Gas Allowance M.c.f.	Estimated Feb.-Mar. Gas Naphtha Ratio in M.c.f. per bbl.	Assumed Corresponding Daily Naphtha Production Barrels
Alberta Pacific	1	1237	179	7
Consolidated Oils, Ltd.	2			
Alberta Federated Oils, Ltd.	1	791	257	3
British Dom. Oil & Devel. Corp. Ltd.	1	1248	247	12.4
	2	1841		
Calmont Oils, Ltd.	2	3740	580	6.4
	4	....	....	....
Commonwea	7	1266	338	3.7
Commonwealth Petroleum, Ltd.	1	2819	81	34.8
Dome Oils, Ltd.	.	225	1450	....
East Crest Oil Co. Ltd.	1	455	137	3.3
	2A	6042	92	104.4
	3	3567		
Freehold Oil Corporation	1	2187	610	3.6
Homestead Oils, Ltd.	1	1237	84	14.7
Illinois Alberta Oil Co. Ltd.	1	....	...	....
McLeod Oil Company, Ltd.	1	....	...	....
	2	472	427	10.3
	4	2733		
	5	1180		
Midfield Oil Co. Ltd.	1	3740	446	8.4
Mercury Oils, Ltd.	1	10645	55	193.5
	2	1410	58	24.3
	3	3855	36	107.8
Miracle Oils, Ltd.	1	3740	54	69.3
Mill City Petroleums, Ltd.	.	....	225	....
Model Oils, Ltd.	1	949	22	43.1
New McDougal-Segur Oil Co. Ltd.	.	1392	293	4.7
Okalta Oils, Ltd.	1	1352	272	5
	2 & 3	3855	299	12.9
Regent	1	662	201	3.3
Richfield Petroleums, Ltd.	.	1070	230	4.6
Sioux City Oils	1	....	880	....
Spooner Oils, Ltd.	1	Bad Cond.	...	....
	2	Bad Cond.	...	....
	4	771	163	4.7
Structure Oil & Gas Co.	1	662	155	4.3
Vulcan Oils, Ltd.	1	....	480	....
Wellington Oil Co., Ltd.	1	6019	417	14.4
Widney Oils, Ltd.	1	388	463	.8
Advance Oil Co. Ltd.	5A	570	81	7.
Associated Oil & Gas Co. Ltd.	1	1064	353	7.1
	2	1438		
Baltac Oil Company	1	667	220	3
Hargal Oil Company	1	805	620	1.3
Home Oil Co. Ltd.	1	3798	332	68.1
	2	5179		
	3	7624		
	4	4660		
	5	1352		
Lowry Petroleums, Ltd.	1	6330	494	12.8
Merland Oil Co. of Can., Ltd.	1	8919	33	270.3
Sterling Pacific Oil Co. Ltd.	1	408	34	12
Dalhousie Oil Co. Ltd.	1	Frozen	...	....
	6	305	167	8
	7	4027	129	31.2
Foothills Oil & Gas Co. Ltd.	1	2014	68	29.6
	2	2301	379	6.1
Mayland Oil Co. Ltd.	1	10933	73	149.7
	2			
	3			
	6			
Southern Lowry Oils, Ltd.	1	Frozen	100	....
	2	8200	53	154.7
	3	5179	68	76.1
Southwest Petroleum Co. Ltd.	1	734	70	10.5
Royalite Oil Co. Ltd.	6	6445	159	40.5
(Incl. No. 12)	7	1784	261	6.8
(Incl. Nos. 11, 18, 20)	8	12343	441	28
	9	762	261	3
(Incl. No. 8)	11	....	...	....
(Incl. No. 7)	12	....	...	....
	13	707	261	2.7
	14	5035	350	14.4
	15	....	...	....
	16	633	441	1.4
	17	2877	176	16.3
(Incl. No. 8)	18	....	...	....
	19	4948	176	28.1
(Incl. No. 8)	20	....	...	....
	21	1640	261	6.3
	22	....	...	....
	23	6042	149	40.5
	24	1438	550	2.6
	25	834	157	5.3

Horseshoe Mine Development Now Financed

Definite progress is reported in the refinancing of the Horseshoe Mines, in Lake of the Woods area, Ontario, through the deposit of a substantial sum in the bank against treasury shares under option.

The Financial Post is officially advised that this is the first concrete evidence of refinancing the company has enjoyed and that the sum paid over will permit of several months exploration work being conducted. It is understood that Bogue & Co., of Montreal, have financed the Horseshoe operations in United States, principally in the vicinity of Boston, and that the funds raised and placed in the company's treasury are well in advance of the schedule laid down in the option agreement.

An exploration party has been sent to the property and work is under way. The mine will first have to be pumped out and it is estimated it will require approximately two weeks time to dewater to the lowest or 545 ft. horizon. The first development work will be on this lowest level.

Gold Strike Made In Bousquet Twp.

News of a new gold strike in Northwestern Quebec stirred mining circles this past week but as yet there is little information of an authentic nature as to details of the find. The site of the find is given as Lake Bousquet in Bousquet township, about 4½ miles west of the O'Brien property in Cadillac township.

The prospectors making the find are said to be working for a Rouyn syndicate.

Copper and Nickel Output at Lower Ebb in April

Canadian production of copper in April amounted to 22,077,843 pounds as compared with 23,662,648 pounds in March and as compared with 27,-845,741 pounds in April, 1931. Exports of refined copper are not given, but the blister copper exported in April amounted to 619,400 pounds as compared with 1,865,800 pounds in March.

Nickel production in Canada during April amounted to 3,384,620 pounds as compared with 3,754,829 pounds in April and as compared with 4,134,541 pounds in April, 1931.

Granada Gold Now Producing At Record Rate

Granada Gold unostentatiously carries on its development programme while producing from $30,-000 to $40,000 in gold a month.

Since the cyanide equipment was added to the mill last month the concentrates previously stored have been treated and a mill increase is under consideration providing developments continue in the present favorable manner.

The winze being sunk from the 625 ft. level is currently around a depth of 1,200 ft. At the 775, 925 and 1,050 ft. horizons new levels have been established and drifting is being conducted, the ore encountered adding to the mill feed principally supplied from the 625 ft. level. This winze has followed the No. 2 vein and plans now are to install a new hoist recently purchased on the 500 ft. level, which will carry operations to the 1,200 ft. horizon. The present small hoist used in sinking the winze will then be used for further sinking operations.

Operating profits have been running close to $20,000 monthly, but a high percentage is being turned back into the property in the form of development work and new equipment.

R. C. Gamble, president of the company, says that if the new levels to the 1,200 ft. horizon continue up and up in the same favorable manner as present lowest levels, this fall will see the mill capacity doubled.

Bush fires that have been threatening many properties in northwestern Quebec have not given Granada any real concern. There is quite a wide clearing about the plant and the company's water system affords good protection against the hazard.

BIDGOOD FINANCING APPEARS IMMINENT

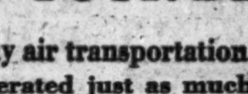
Various Groups Look Property Over With Eye to Possibilities

The prospects of Bidgood Consolidated Mines becoming re-financed increase as tentative offers are made to the directors of the company. No action has been taken by directors, but J. E. Grant, former general manager of the Wright-Hargreaves Mines, is known to have made an inspection of the property recently with a view to becoming interested financially.

No firm offer has been received from this source, but at a meeting of directors, held in Toronto on June 13, the company's financial position was under discussion. The total accrued liabilities of the company are said by officials not to exceed $25,000. At the time of the demise of Leo Erenhous, former president of the company, a few weeks ago, plans were under consideration for the erection of a small mill that would serve as a pilot mill to bulk sample the ore and also to recover the higher grade ore and finance further development work. While no definite steps have been taken in this direction officials believe that funds will be made available for such a programme.

The vacancy in the company's board caused by the death of Mr. Erenhous has not been filled.

SURVEY EXPLORATION PHOTOGRAPHY TRANSPORT



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